



RISHABHDEV TECHNOCABLE LIMITED

(Our Company was incorporated as Rishabhdev Technocable Limited on November 24, 1994 under the Companies Act, 1956. Our Company has shifted its registered office from 9, R.N.P House, Azad Road, Gundavli, Andheri (East), Mumbai- 400 069 to its present address with effect from February 15, 2008.

For further details, please refer to the section titled "History and Corporate Structure" starting from page no. 72 of this Red Herring Prospectus.)

Registered and Corporate Office: Unit No. 53, 1st Floor, Jagat Satguru Industrial Estate, Vishveshwar Nagar Road, Goregoan (East), Mumbai – 400 063;

Tel: +91-22-2876 9059; **Fax:** +91-22-2877 1669;

Contact Person: Mr. Ranabir Sanyal, Company Secretary and Compliance Officer

Website: www.rtcclables.com; **E-mail:** fpo@rtcclables.com

ISSUE OF 90,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("EQUITY SHARES") OF RISHABHDEV TECHNOCABLE LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] LACS ("ISSUE"). THE ISSUE COMPRISES OF PROMOTERS CONTRIBUTION OF 21,45,500 EQUITY SHARES AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] LACS ("PROMOTERS' CONTRIBUTION") AND NET ISSUE TO THE PUBLIC OF 68,54,500 EQUITY SHARES AGGREGATING TO RS. [●] LACS. THE NET ISSUE TO THE PUBLIC WOULD CONSTITUTE 46.66% OF THE FULLY DILUTED POST-ISSUE EQUITY SHARE CAPITAL OF THE COMPANY.

PRICE BAND: RS. 29/- TO RS. 33/- PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH

THE ISSUE PRICE IS 2.9 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 3.3 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

In case of revision in the Price Band, the Bidding Period/Issue Period will be extended for three additional working days after such revision, subject to the total Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") the Pune Stock Exchange Limited ("PSE") and the Jaipur Stock Exchange Limited ("JSE"), by issuing a press release and also by indicating the change on the website of Book Running Lead Managers ("BRLMs"), Co-Book Running Lead Manager ("Co-BRLM") and the terminals of the Members of Syndicate.

This Issue is being made through 100% Book Building Process wherein upto 50% of the Net Issue to the Public will be available for allocation to Qualified Institutional Buyers ("QIB") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of the portion available for allocation to the QIBs, 5% will be available for allocation on proportionate basis to Mutual Funds only. Mutual Funds Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, at least 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 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.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares issued 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 the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no. x of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed for trading on the PSE and the JSE. Accordingly, application will be made to PSE and JSE for permission to deal in and for official quotation in respect of the new Equity Shares arising out of the present Issue. We have received the in-principle approvals from PSE and JSE pursuant to their letters dated November 10, 2008 and October 14, 2008 respectively. The shares of our Company are also proposed to be listed on the BSE. Our Company has received in principle approval from the BSE for the listing of Equity Shares pursuant to letter dated September 24, 2008. BSE shall be the designated Stock Exchange for this Issue.

BOOK RUNNING LEAD MANAGERS



IDBI CAPITAL MARKET SERVICES LIMITED

5th Floor, Mafatlal Centre, Nariman Point,
Mumbai – 400 021

Tel.: +91-22-6637 1252/56

Fax: +91-22-2283 8782

Website: www.idbicapital.com

E-mail: rtc1.ipo@idbicapital.com

Investors Grievance ID: redressal@idbicapital.com

Contact Person: Mr. Piyush Bansal / Ms. Menka Jha

SEBI Registration No: INM000010866



PL CAPITAL MARKETS PRIVATE LIMITED

3rd Floor, Sadhana House, 570 P.B. Marg,
Worli, Mumbai - 400 018

Tel.: +91-22-6632 2221/22

Fax: +91-22-6632 2229

Website: www.plindia.com

E-mail: rishabhdevipo@plindia.com

Investors Grievance ID: redressal@plindia.com

Contact Person: Mr. Ajesh Dalal / Ms. Sonali Jain

SEBI Registration No: INM000011237

REGISTRARS TO THE ISSUE



MONDKAR COMPUTERS PRIVATE LIMITED

25, Shakil Niwas, Opposite Satya Sai Baba Temple,
Mahakali Caves Road, Andheri (E), Mumbai - 400 093

Tel: +91-22-2820 7203 - 05, 2825 7641

Fax: +91-022-28207207

Website: www.mondkarcomputers.com

E-Mail: info@mondkarcomputers.com

Investor Grievance ID: rtc1_ipo@mondkarcomputers.com

Contact Person: Mr. Ravindra Utekar

SEBI Registration No.: INR000000114

BID / ISSUE PROGRAMME

BID/ISSUE OPENS ON : JUNE 4, 2009

BID/ISSUE CLOSES ON : JUNE 9, 2009

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SECTION I: GENERAL INFORMATION**DEFINITIONS AND ABBREVIATIONS****General terms**

Term	Description
“We”, “us”, “our”, “the Company” and “our Company”	Unless the context otherwise indicates or implies, refers to Rishabhdev Technocable Limited.

Company related terms

Term	Description
Articles/ Articles of Association	The Articles of Association of our Company
Auditors	The Statutory Auditors of our Company namely M/s. Bharat J.Rughani & Co.
Board / Board of Directors / Director(s)	Board of Directors of our Company
Memorandum/ Memorandum of Association	The Memorandum of Association of our Company
Registered and Corporate Office of our Company	Unit No.53, 1 st Floor, Jagat Satguru Industrial, Estate, Vishveshwar Nagar Road, Goregaon (East), Mumbai – 400 063
ROC/RoC	Registrar of Companies, Maharashtra

Issue Related Terms

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, “Allotment” and all its variations shall mean the issue and allotment of Equity Shares pursuant to the Issue.
Allottee(s)	The successful bidder to whom the Equity Shares are/ have been allotted.
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the money in a bank account.
ASBA Investor	Means an Investor who intends to apply through ASBA process and (a) is a “Resident Retail Individual Investor”; (b) is bidding at cut-off, with single bid option as to the number of shares bid for; (c) is applying through blocking of funds in a bank account with the SCSB; (d) has agreed not to revise his/her bid; (e) is not bidding under any of the reserved categories.
ASBA Form	Bid cum Application Form for Resident Individual Investor intending to subscribe through ASBA process.
Ashika Capital Limited / ACL	Ashika Capital Limited, a company incorporated under the Companies Act, 1956 and having its corporate office at 1008, Raheja Centre, 10 th Floor, 214, Nariman Point, Mumbai – 400 021
Banker(s) to the Issue	AXIS Bank Limited, HDFC Bank Limited, IDBI Bank Limited, ICICI Bank Limited
Bid	An indication to make an offer made during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, bid means an indication to make an offer during the Bidding Period by a Retail Individual Investor to subscribe to the Equity Shares of our Company at Cut-off 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 for the Issue.
Bid/ Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, Hindi national newspaper and Marathi Newspaper with wide circulation.
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in

Term	Description
	terms of the Red Herring Prospectus.
Bid/ Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English national newspaper and Hindi national newspaper and Marathi newspaper with wide circulation.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus.
Bid/ 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
Book Building Process / Method	Book Building Process or route as provided in Chapter XI of the SEBI (Disclosure and Investor Protection) Guidelines 2000, in terms of which this Issue is being made
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate
BRLMs/ Book Running Lead Managers	Book Running Lead Managers to this Issue, in this case being IDBI Capital Market Services Limited and PL Capital Markets Private Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Co-BRLM/ Co-Book Running Lead Manager	Ashika Capital Limited
Cut-off Price	The Issue Price to be finalized by our Company in consultation with the BRLMs and the Co-BRLM
Demat Account	The accounts held by a Depository, in which the shares of an investor are credited as electronic balances.
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act, 1996
Designated Date	The date on which funds are transferred from the Escrow Account of our Company to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot and transfer Equity Shares to successful bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)
Designated Branches	Such branches of SCSB's which shall collect the ASBA form used by the ASBA bidders and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf .
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are being issued and number of Equity Shares being issued through this Issue. Upon filing with RoC at least three days before the Bid/Issue opening date it will become the Red Herring Prospectus. It will become the Prospectus after filing with the RoC after the pricing and allocation.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make a Bid in the Issue
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10/- each, unless otherwise specified in the context thereof.
Escrow Account	Account opened with an 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.
Escrow Agreement	Agreement entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the BRLMs, the Co-BRLM and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened and in this case being Axis Bank Limited, HDFC Bank Limited, IDBI Bank Limited and ICICI Bank Limited
Face Value	Face Value of the Equity Share of our Company, being Rs. 10/- per share

Term	Description
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995) registered with SEBI under applicable laws in India.
FPO	Follow on Public Issue
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India
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 finalized and below which no Bids will be accepted
IDBI Capital / ICMS	IDBI Capital Market Services Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 5 th Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021
Issue	Issue of 90,00,000 Equity Shares of Face Value of Rs. 10/- each of Rishabhdev Technocable Limited for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] lacs. The Issue comprises of Promoters' Contribution of 21,45,500 Equity Shares at a price of Rs. [●] per Equity Share aggregating Rs. [●] lacs and Net Issue to the Public of 68,54,500 Equity Shares aggregating to [●] lacs.
Issue Price	The final price at which Equity Shares will be issued and allotted in term of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs and the Co-BRLM on the Pricing Date.
Issue Period	The Issue Period shall be from June 4, 2009, being the Bid / Issue Opening date to June 9, 2009, being the Bid / Issue Closing date.
JSE	Jaipur Stock Exchange Limited
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the QIB Portion or 1,71,370 Equity Shares available for allocation on proportionate basis to Mutual Funds only subject to valid Bids received out of the QIB Portion
Margin Amount	The amount payable by the Bidder at the time of submission of his/her Bid, which may be 10% or 100% of the Bid Amount, as applicable
Net Issue to the Public / Net Issue	68,54,500 Equity Shares of Face Value of Rs.10/- each for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] lacs
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000/-
Non Institutional Portion	The portion of the Net Issue being 10,28,175 Equity Shares, available for allocation to Non Institutional Bidders being not less than 15% of the Net Issue to Public
Non Residents	A person resident outside India, as defined under FEMA and the regulations framed hereunder, as amended from time to time
NRI / Non Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
OCB / Overseas Corporate Body	A company, partnership firm and other body corporate owned directly or indirectly to the extent of at least 60% by NRIs including overseas trust, which not less than 60% by NRIs of the beneficial interest irrevocable held by the NRIs directly or indirectly as defined under Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003 as amended
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 Amount at the time of bidding, as applicable
Pay-in-Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid / Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay in Date
PL Capital/PLCM	PL Capital Markets Private Limited, a company incorporated under the Companies Act,

Term	Description
	1956 and having its registered office at 3 rd Floor, Sadhana House, 570 P.B. Marg, Worli, Mumbai - 400 018
Price Band	Being the price band of a minimum price (Floor Price) of Rs. 29/- and the maximum price (Cap Price) of Rs. 33/- and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs and the Co-BRLM finalizes the Issue Price
Promoter's Contribution	21,45,500 Equity Shares of Face Value of Rs.10/- each at a price of Rs. [●] per Equity Share aggregating to Rs. [●] lacs
Promoter Group	The Individuals referred to in the section titled "Our Promoters and Promoter Group" beginning on page no. 84 of the Red Herring Prospectus
Promoter(s)	Our Promoters being Mr. Sunil Golchha, Mr. Kamal Chand Golchha and Mr. Bhanwar Lal Golchha
Prospectus	The prospectus, filed with the RoC in accordance with Section 60 of the Companies Act, 1956 containing, <i>inter alia</i> , the Issue Price that is determined, at the end of the Book Building Process, the number of Equity Shares being issued through this Issue and certain other information
PSE	Pune Stock Exchange Limited
Public Issue Account	Account opened with the Banker(s) to this Issue to receive money from the Escrow Account for this Issue on the Designated Date
Qualified Institutional Buyers or QIBs	Public financial institution as defined in section 4A of the Companies Act, 1956; scheduled commercial banks; mutual funds; foreign institutional investor registered with SEBI; multilateral and bilateral development financial institutions; venture capital funds registered with SEBI; foreign venture capital investors registered with SEBI; state industrial development corporations; insurance companies registered with the Insurance Regulatory and Development Authority (IRDA); provident funds with minimum corpus of Rs. 2500 lacs and pension funds with minimum corpus of Rs. 2500 lacs and 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
QIB Margin	An amount representing atleast 10% of the Bid Amount and the amount the QIBs are required to pay at the time of submitting the Bid
QIB Portion	The portion of this Issue being upto 50% of the Net Issue to the Public which shall be available for allocation on a proportionate basis to QIBs i.e. 34,27,250 Equity Shares available for allocation to QIBs
Registrar / Registrar to this Issue	Mondkar Computers Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs and Eligible NRIs) who have not Bid for an amount more than Rs. 1,00,000/- in any of the bidding options in this Issue
Retail Portion	The portion of this Issue being not less than 35% of the Net Issue to the Public i.e. 23,99,075 Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	This Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue, including any agenda or corrigendum thereof. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid / Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date.
Self Certified Syndicate Bank (SCSB)	SCSB is a Banker to the Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of making an Applications Supported by Blocked Amount and recognized as such by the SEBI.
Syndicate / Members of the Syndicate	The BRLMs, the Co-BRLM and the Syndicate Member(s)
Syndicate Agreement	The agreement entered on May 11, 2009 between our Company, BRLMs, the Co-BRLM and the Syndicate Member(s), in relation to the collection of Bids in this Issue
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Member(s) are appointed by the BRLMs and the Co-BRLM in this case being Prabhudas Lilladher Private Limited, Ashika Stock Broking Limited, Guinness Securities Limited and Mangal Keshav Securities Limited.

Term	Description
TRS or Transaction Registration Slip	The slip or document issued by any of the Members of the Syndicate to the Bidder as proof of registration of the Bid on the online system of the BSE or the NSE
Underwriters	The BRLMs, the Co- BRLM and the Syndicate Member(s)
Underwriting Agreement	The Agreement among the Underwriters and our Company entered into on May 11, 2009
VCF / Venture Capital Fund	Venture Capital Funds as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 registered with SEBI under applicable laws in India.

CONVENTIONAL / GENERAL TERMS

Term	Description
Act / Companies Act	The Companies Act, 1956
ASBA	Application Supported By Blocked Amount
Directors	The directors of our Company, unless the context otherwise requires
Equity Shares	The Equity Shares of Face Value of Rs. 10/- each of our Company
Indian GAAP	Generally Accepted Accounting Principles in India
Quarter	A period of three continuous months
RBI Act	The Reserve Bank of India Act, 1934
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI (DIP) Guidelines	The extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called SEBI (Disclosure and Investor Protection) Guidelines, 2000.
Stock Exchanges	Bombay Stock Exchange Limited (BSE); Pune Stock Exchange Limited (PSE); Jaipur Stock Exchange Limited (JSE)

INDUSTRY TERMS

Term	Description
BIS	Bureau of Indian Standards
CTV	Colour Television
CCTV	Close Circuit Television
CMIE	Centre for Monitoring Indian Economy
CSO	Central Statistical Organisation
CSP	Cloronated Sulphonated Polypropylene
DIA	Diameter
DG	Diesel Generator
EPR	Ethylene Propylene Rubber
FR	Flame Retardant
FRLS	Flame Retardant Low Smoke
GI	Galvanized Iron
GP	General Purpose
HOFR	Heat Oil Flame Retardant
HP	Horse Power
HR	High Resistance
HT	High Tension
HV	High Voltage
HVAC	High Voltage Alternate Current
IEC	International Electrotechnical Commission
ISO	International Organization for Standardization
IIP	Index of Industrial Production
IT	Information Technology
JFTCS	Jelly Filled Telecom Cables
KV	Kilo Volt
KVA	Kilo Volt Ampere
LDPE	Low-density polyethylene

LSZH	Low Smoke Zero Halogen
LT	Low Tension
OFCS	Optical Fibre Cables
PCP	Poly Chloroprene
PE	Polyethylene
PSU	Public Sector Undertakings
PU	Poly Urethane
PVC	Poly Vinyl Chloride
SEBs	State Electricity Boards
TPR	Thermo Plastic Rubber
TPO	Thermal Plastic Olyfin
TPE	Thermo Plastic Elastomer
TPV	Thermo Plastic Vinyl
WAN	Wide Area Network
XLPE	Cross Linked Polyethylene

ABBREVIATIONS

Term	Description
A.Y./ AY	Assessment Year
A/c	Account
Ac.	Acre
AGM	Annual General Meeting of our Company
AROC	Assistant Registrar of Companies, Maharashtra
AS	Accounting Standards
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CLB	Company Law Board
DCA	Department of Company Affairs
DP	Depository Participant
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
EPFA	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESOS	Employee Stock Option Scheme
ESPS	Employee Stock Purchase Scheme
Factories Act	The Factories Act, 1948
F.Y. / FY / Fiscal / Financial Year	Period of Twelve Months ending on March 31 of the respective year
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations framed there under.
FEMR	Foreign Exchange Management Regulations, 2000
FI	Financial Institution
FIFO	First In First Out
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
GAAP	Generally Accepted Accounting Principles
GIR Number	General Index Register Number
GoI	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
I.T. Act	The Income Tax Act, 1961
JSE	Jaipur Stock Exchange Limited
KWIPL	Komet Wire Industries Private Limited
L/C	Letter of Credit
Ltd.	Limited
MAT	Minimum Alternate Tax
MF	Mutual Fund

Term	Description
MOU	Memorandum of Understanding
MWA	The Minimum Wages Act, 1948
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBIT	Profit Before Interest and Tax
PBT	Profit Before Tax
PGA	The Payment of Gratuity Act, 1972
PPP	Public Private Partnership
PWA	The Payment of Wages Act 1936
PSE	Pune Stock Exchange Limited
PVT	Private
QIB	Qualified Institutional Buyer
R&D	Research and Development
RBI	Reserve Bank of India
RS	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India
TAN	Tax Deduction Account Number
TNW	Total Net Worth
TRS	Transaction Receipt Slip
UT	Union Territory
USD	United States Dollar
VAT	Value Added Tax
WCA	The Workmen's Compensation Act, 1923
WDV	Written Down Value
W.E.F	With effect from

Notwithstanding the foregoing, in the “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Financial Statements”, “Disclaimer Clause of BSE ”, “Disclaimer Clause of PSE”, “Disclaimer Clause of JSE” and “Underwriting Agreement” beginning on page nos. 186, 44, 88, 137, 137, 137 and 17 respectively of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company, and otherwise in these respective sections/chapters/paragraphs.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

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

In this Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

Market Data

Unless stated otherwise, market and industry data used throughout this Red Herring Prospectus was obtained from internal Company reports, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although, we believe market data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

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

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

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Volatility in prices of raw materials
- High capital expenditure and working capital requirements
- Timely delivery of products
- Statutory taxes and other levies
- Changes in government policies and political situation in India

For further discussion on factors that could cause our actual results to differ, please refer to the section titled “Risk Factors” beginning on page no. x and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 111 of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLMs nor the Co-BRLM, 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 BRLMs and the Co-BRLM will ensure that investors are informed of material developments until such time as the grant of trading permission by the Stock Exchange for the Equity Shares allotted pursuant to the Issue.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, prospects, financial condition, results of operations and property valuations could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. To obtain, a complete understanding of the business of our Company, you should read the section titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Result of Operations” starting from page no. 57 and 111 of this Red Herring Prospectus. If our business suffers as a result of operations or financial conditions the price of our Equity Shares and value of your investments in the Equity Shares could decline. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over the other.

A. Internal Risk Factors**1. We could not meet the objects of our Initial Public Offering.**

We made an Initial Public Offering (“IPO”) of our equity shares in June 1997 and in pursuance thereof our equity shares were listed on PSE and JSE. The objects of the issue as stated in the IPO in the year 1997 were as under –

1. To part finance the Company’s proposed project for manufacture of cables used for different applications.
2. To raise long term working capital
3. To enlist the shares of the Company on recognized stock exchanges, and
4. To meet the expenses of the Issue

The objects of the issue were to be financed by an IPO of Rs. 507.06 Lacs and by a term loan of Rs. 60 Lacs. Out of the total project cost of Rs. 567.06 lacs, Rs. 40.88 Lacs was proposed to be raised to meet the working capital margin requirement, Rs. 55 Lacs to meet the public issue expenses and the balance of Rs. 471.88 lacs was proposed to finance the Company’s proposed project for manufacture of cables.

The object of the issue, which was not met, was establishing our Company’s proposed project for manufacture of cables. At the completion of the public issue our Company was able to raise the following funds –

(Rs. in Lacs)		
Particulars	No. of Shares	Amount
Equity Capital		
- Promoters (Firm Allotment to Promoters)	1810720	181.07
- Public (Partly Paid up shares @ Rs. 2.50 per share)	3259900	81.50
Total		262.57

As against an issue size of Rs 507.06 lacs comprising of promoters contribution of Rs 181.07 lacs and public issue of Rs 325.99 lacs, our Company could raise only Rs. 262.57 lacs, as detailed above. The money raised as stated above was utilized as follows –

(Rs. in Lacs)	
Particulars	Amount
Purchase of Plant & Machinery	187.67
Purchase of Land	18.00
Working Capital	48.73
Public Issue Expenses	7.10
Misc. Expenses	1.07
Total	262.57

Attempts to receive the balance money on partly-paid up shares was not successful. The company issued a call notice September 18th, 1997 to recover the balance sum of Rs. 7.50 per share, however it was not received. After the completion of the issue the sentiments in the stock market were very low and also due to adverse economic conditions it appeared uneconomical for our Company to immediately embark upon an expansion plan and undertake manufacturing activities. In the above circumstances, our Company

continued its business of trading in different types of cables and waited for the appropriate time and opportunity to undertake the manufacturing activities as envisaged by its promoters

In the year 2002, our Company together with the Promoters acquired shares of Komet Wire Industries Private Limited (“**KWIPL**”), which was engaged in the business of manufacture of cables and wires. By the acquisition of KWIPL our Company got foothold in the manufacturing of cables. Our Company also commenced its independent manufacturing activities towards the end of March 2004 with a small set-up in a portion of the factory premises owned by KWIPL. However, simultaneously with the commencement of the said manufacturing facilities a plan for amalgamation of KWIPL with our Company was under consideration. Therefore, the manufacturing activities of our Company were continued to be carried on in the small set-up arranged in the factory premises of KWIPL. Subsequently, in the year 2005, pursuant to the order dated October 7, 2005 passed by the Hon’ble Bombay High Court, KWIPL was amalgamated with our Company. In the year 2004-05, the capital market conditions in India improved and the country was witnessing a significant economic growth. The same is reflected in the Audited Balance Sheets of the respective financial years.. Subsequently, in the year 2005, our Company acquired the balance shares KWIPL pursuant to which it became our wholly owned subsidiary and was thereafter amalgamated with our Company.

Thereafter, our Company in order to strengthen its operations, issued notices dated December 1, 2005, April 30, 2006 and April 30, 2007 to its shareholders for the balance amount of Rs 7.50 per share. Pursuant to the said call notices our Company received the balance amount on its partly paid-up equity shares in the Financial Years 2005-06, 2006-07 and 2007-08.

Particulars	Year		
	2005-06	2006-07	2007-08
Number of Equity Shares	1,23,900	6,42,000	24,94,000
Call Amount received per share (Rs.)	7.50	7.50	7.50
Total Call Amount received (Rs. In lacs)	9.29	48.15	187.05

For more information please refer to the section titled, “Other Regulatory and Statutory Disclosures” on page no. 133 of this Red Herring Prospectus.

- 2. We could not receive the call money in a timely manner from our shareholders in the IPO made in year 1997 and the same was received in the year 2005-06, 2006-07 and 2007-08. Hence, there was a delay of about 10 years in the receipt of the same.**

In the year 1997, our Company made an initial public offering of its Equity Shares at par value. Our Company issued 32,59,900 Equity Shares of Rs. 10/- each for cash at par to the public and made a firm allotment of 18,10,720/- Equity Shares of Rs.10/- each to the Promoters, their friends, relatives and associates. The public offering of all the Equity Shares was at par. The public shareholders were required to pay application money of Rs.2.50 per Equity Share at the time of making the application in the IPO and balance amounts, on the basis of call raised by our Company. Our Company, thereafter, issued a call notice on September 18, 1997 to the applicants for the balance sum of Rs 7.50 per share. However by the time the IPO was completed, the Indian economy had slowed down and our Company could not receive the call money due from its shareholders. Fresh call notices were issued on December 1, 2005, April 30, 2006 and April 30, 2007, pursuant to which the call money was received in the Financial Year 2005-06, 2006-07 and 2007-08. For further details about our IPO and its utilization of funds, please refer to the sub-section titled “Promise versus Performance” starting from page no. 140 of this Red Herring Prospectus.

- 3. Our claim of deduction of an amount of Rs. 62.07 lacs for AY 2006-2007 u/s. 80IB of the Income Tax Act, 1961 has been rejected and a demand notice of Rs. 21.05 lacs is issued to our Company. In case, if any adverse judgment or order is passed in this case, it can impact our operations and profitability.**

By an Assessment Order dated December 26, 2008 made under the provisions of section 143(3) of the Income Tax Act, 1961 (“**IT Act**”) by the Assistant Commissioner of Income Tax, Range 8(3), Mumbai has rejected the claim made by our Company for deduction of an amount of Rs.62,07,153/- u/s. 80IB of the IT Act for AY 2006-2007 and a demand notice dated January 20, 2009 of Rs. 21,04,820/- was issued to our Company. Aggrieved by the Order, our Company has filed an appeal on January 29, 2009 before the Commissioner of Income Tax (Appeals) and prayed that the deduction of claim u/s. 80IB should be

allowed to our Company. For further details, please refer to the section titled “Outstanding Litigations and Material Developments” starting from page no. 128 of this Red Herring Prospectus. In case any adverse judgment or order is passed in this case, our Company may have to provide for additional Income Tax, interest thereon and penalty, if any, thereby reducing our profits and reserves.

4. Our Capital Commitment and Contingent liability as on December 31, 2008 could adversely affect our financial condition

Our capital commitment and contingent liability as on December 31, 2008 stood as under –

(Rs. In lacs)

Particulars	As at 9 months ended December 31, 2008
CAPITAL COMMITMENTS	
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	547.13
CONTINGENT LIABILITIES	-
Income Tax Liability due u/s. 80IB of Income Tax Act	74.85
Interest u/s 220 @ 12% p.a.	8.98
Penalty @ 100%	74.85
	158.68

For further details, please refer to the section titled “Financial Statements” starting from page no. 88 of this Red Herring Prospectus.

5. Some Equity Shares have been acquired by our Promoters at a price less than the Face Value of the Equity Shares.

The Equity Shares of our Company are listed on the PSE and JSE since 1997 but are not traded. Some of the shareholders approached our Promoters requesting them to buy their Equity Shares. The Promoters, therefore, made off market purchases of such shares for a lump sum consideration, from some of the shareholders. Mr. Sunil Golcha (one of our Promoters) acquired 4,81,780 Equity Shares at an average price of Rs. 0.43 per Equity Share and Mr. Kamal Chand Golcha (one of our Promoters) acquired 2,20,000 Equity Shares at an average price of Rs. 0.25 per Equity Share from such shareholders. Thus, our Promoters acquired these Equity Shares from such shareholders (both Promoters’ Group and the public) at a price lower than the Face Value. As a result some of our shareholders have not been able to realize the full value of the investments made by them.

For further details of these acquisitions, please refer to the sub-section titled ‘Notes to Capital Structure’ starting from page no. 21 of this Red Herring Prospectus.

6. Our net cash flows from operating and investing activities have been negative in the past. Any negative cash flow in the future may affect our liquidity and financial condition.

We had negative cash flows from operating and investing activities, as described below. In the event that we report negative cash flows in the future, our results of operations may be adversely affected.

(i) Cash Flow from Operating Activities

(Rs. In Lacs)

Particulars	For the year ended March 31 st					For the period of 9 months ended December 31 st
	2004	2005	2006	2007	2008	2008
Net Profit before tax and extraordinary items	0.20	11.67	64.43	93.20	301.35	315.99
Operating profit before working capital changes	3.46	31.73	95.35	133.60	374.11	374.44

Adjustment for changes in working capital	(10.26)	(140.21)	(48.19)	(158.38)	(544.07)	(242.70)
Cash Generated from operations	(6.79)	(108.48)	47.16	(24.77)	(169.96)	131.75
Direct Taxes Paid / Provisions Adjusted	0.74	5.52	7.34	12.74	34.91	31.05
Cash Flow before Extraordinary Items	(7.54)	(113.99)	39.82	(37.51)	(204.87)	100.70
Extraordinary Items and Prior Period Adjustment	-	14.42	0.42	(0.75)	-	-
Net Cash from operating activities	(7.54)	(99.57)	40.24	(38.26)	(204.87)	100.70

(ii) Cash Flow from Investment Activities

Particulars	For the year ended March 31 st					(Rs. in Lacs)
						For the period of 9 months ended December 31 st
	2004	2005	2006	2007	2008	2008
Purchase of Fixed Assets	(1.66)	41.90	(68.75)	(89.68)	(461.79)	(411.26)
Net Proceeds from Sale of Investments	-	80.58	-	-	-	-
Proceeds from Sale of Fixed Assets	-	4.12	-	5.00	-	-
Interest Received	6.58	-	0.15	0.13	0.10	0.45
Net Cash (used in) / from Investing Activities	4.92	42.79	(68.60)	(84.55)	(461.69)	(410.81)

For further details, please refer to the section titled “Management’s Discussion and Analysis of Financial condition and results of operations” starting from page no. 111 of this Red Herring Prospectus.

7. There are certain pending government/statutory approvals

Our Company has applied for renewal of the following Government Approvals:

Sr. No.	Nature of Registration / License	Date of Application	Issuing Authority	Purpose/ Plants/offices for which said licenses is applied for
1.	Factory License	02/01/2006	The Chief Inspector of Factories, Daman	Unit situated at 730/1 and 4 and 731/1, Village Dabhel, Daman
2.	Water Pollution	03/06/2008	Member Secretary, Pollution Control Committee, Daman and Diu and Dadra and Nagar Haveli	Unit situated at 730/1 and 4 and 731/1, Village Dabhel, Daman
3.	Air Pollution	25/07/2008	Member Secretary, Pollution Control Committee, Daman and Diu and Dadra and Nagar Haveli	Unit situated at 731/1 at Village Dabhel, Daman.

8. We have not obtained any third party appraisals for our project

We have not obtained any third party appraisals for our project. Our funding requirement and deployment of the proceeds of the Issue are based on management estimates and vendor quotations and have not been appraised by any bank or financial institution as specified in the section titled “Objects of the Issue”

starting at page no. 32 of this Red Herring Prospectus. In case, our estimates are not adequate, we may have to incur additional cost for the same. This may increase the cost of our projects and may adversely affect our operations and profitability.

9. Our trademark is yet to be registered, although we have made an application for the same

We have made application for registration of Trademark “Rishabhdev-Komet” which is pending for registration. If our application for registration is not accepted or if the oppositions filed against our trademark application, if any, are successful, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for the trademark.

10. We currently enjoy tax benefit u/s. 80IB of Income Tax Act, which may not be available to us in the future

We have enjoyed tax benefit u/s. 80 IB, but in future the tax exemption may not be available, as a result of which our profitability may be affected. For further details, please refer to the Risk Factor no. 1 of this section

11. The Equity Shares of our Company are listed but not traded

The Equity Shares of our Company are listed on PSE and JSE since 1997. Our Company’s shares are not traded on the said exchanges during the last 3 years. Our Company does not have a recent share price history and our last traded price cannot be taken as an indicator of our share price in the future. For more information, please refer to the section titled, “Other Regulatory and Statutory Disclosures” starting from page no. 133 of this Red herring Prospectus

12. Our Promoters and Directors do not have any interests other than reimbursement of expenses incurred or normal remuneration or benefits paid to them.

Our Promoters and Directors are interested in our Company to the extent of their shareholding and the remuneration paid to them.

13. We have yet to execute the Sale Deed for the purchase of land in Silvassa for the proposed expansion. Any delay in the same may delay our proposed project which can adversely affect our growth plans.

We have already entered into a Memorandum of Understanding dated June 27, 2008 with M/s Haveli Enterprises for the purchase of land admeasuring approximately 48,000 square meters located at Silvassa for setting up of proposed Unit III for manufacture of Power Cables. The total consideration has been fixed at Rs. 221.28 lacs out of which Rs. 71 lacs has already been advanced. However, we are yet to execute the Sale Deed for the purchase of land at Silvassa for the proposed expansion. Any delay in executing the sale deed may delay the project implementation schedule adversely affecting the cost of our proposed project for which funds are being raised in this Issue.

14. We are heavily dependent upon the growth prospects of the industries, which consume our products. Any slowdown in the rate of growth of these industries would seriously impact our own growth prospects and may result in decline in profits.

The products manufactured by us find application in various industries such as Power and Electrical Distributions and Transmission, Steel and Metal, Cement, Mines and Minerals Industries Petrochemicals and Fertilizers, Paper Mills and Fine Chemicals, Hydrocarbon Process Industries Oil Refinery / Petroleum, Software Technology IT Park and Infrastructure and Building Management Solution Providers. The major demand for our products arises primarily due to requirements of these user industries. Any downward trend in any of these industries can affect our turnover and profitability.

15. Increase in raw material prices may have a negative impact on the financial performance of our Company.

Our basic raw materials are Copper, Aluminum, Thermocouple wires, Alloy Conductor, PVC Compound and Steel (G.I. Wire / Strips Tapes). In the recent past, there have been wide fluctuations in the price of copper and aluminum both at domestic and international markets. Such fluctuations in raw material prices

and our inability to negotiate an optimum market rate may affect our profitability. Any abrupt or large-scale escalation in the prices of the raw materials can adversely affect our profits.

16. Any delay in timely delivery of our products will adversely impact our relations with the clients.

At the time of taking orders we usually anticipate the time that would be required in designing, manufacturing, testing and inspection and delivery of the products. Any delay in actual production, would delay the delivery of the product, which might adversely affect our relation with the clients. Though, we have not yet faced any such delay in our production and any such significant delay in delivery of our products, we cannot assure the same in future. Any such occurrence can affect our relationship with our clients and also our turnover and profitability adversely.

17. We have not entered into any long-term supply contracts for raw materials.

We have not entered into any long-term supply contracts for raw materials. Non-availability of required raw materials in desired quantity and quality at the required time may adversely affect our production process, ability to deliver orders in time and our business performance.

18. Our Promoter and Promoter Group would hold less than 51% of the paid up share capital of our Company.

Upon completion of the Issue, the Promoters and Promoter Group entities may beneficially own at least 31.74% of our post-Issue Equity Share capital. Since our Promoters and Promoter Group own less than 51% of the paid up share capital of our Company, they may not be able to continue exercising significant control over our Company, including being able to control the composition of our Company's Board of Directors, determine decisions requiring majority voting, and may be unable to affect the outcome of certain shareholder resolutions, even though the same may be in the best interests of our Company. Further, our Company is vulnerable to hostile takeovers, and we cannot assure that any potential acquirer would act in the best interests of our Company or its shareholders.

19. An inability to manage our growth could disrupt our business and reduce our profitability

Our Sales has grown from being Rs. 1052.85 lacs in FY 2007 to Rs. 3108.94 lacs in FY 2008 thus representing a growth of 195%. It grew from being Rs. 910.61 lacs in FY 2006 to Rs. 1052.85 lacs in FY 2007 representing a growth of 15.62% and from being Rs. 346.21 lacs in FY 2005 to Rs. 910.61 lacs in FY 2006 representing a growth of 163.02%. We need to continually evolve and improve our operational, financial and internal controls across our organization. In particular, expansion increases the challenges involved in:

- Developing and improving our internal administrative infrastructure, particularly our financial, operational, internal control and other internal systems;
- Recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- Maintaining high level of client satisfaction;
- Adhering to health, safety and environmental standards.

Any inability to manage our growth may have an adverse effect on our business and results of operations.

20. Non-renewal of the statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.

Our Company has obtained or applied for all applicable statutory and regulatory permits, licenses and approvals, including renewals thereof to operate its business. For further details, please refer to the section titled "Government Approvals" starting from page no. 130 of this Red Herring Prospectus. In future, it will be required to renew such permits, licenses and approvals, and obtain new permits, licenses and approvals for any proposed new operations. While we believe that we will be able to renew or obtain such permits, licenses and approvals as and when required, there can be no assurance that the relevant authorities will issue or renew any of such permits, licenses or approvals in the time-frame anticipated by it or at all. Such non-issuance or non-renewal may result in the interruption of its operations and may have a material adverse effect on its business, financial condition and future results of operations.

21. Our existing manufacturing operations are geographically located at one place at Daman.

Our existing manufacturing Unit I located at Daman. As a result, any local social unrest, natural disaster or breakdown of services and utilities in that area could have an adverse effect on our business and results of operations.

22. We are subject to the restrictive loan covenants of Banks in respect of the term loans and working capital facilities availed from them.

Banks and financial institutions have sanctioned loans to our Company in pursuance of their respective sanction letters. We would be subject to usual and customary restrictive covenants for the term loans and working capital facilities availed by us. Following are some of the major restrictive covenants, which are material in nature for which we shall require prior written consents of the Banks:

- Effect any change in our capital structure
- Formulate any scheme of amalgamation
- Undertake any new project schemes
- Invest by way of share capital in or lend or advance funds to or place deposits with any other company
- Enter into borrowing arrangements either secured or unsecured with any other banks, financial institutions, company or otherwise
- Undertake guarantee obligations on behalf of our company
- Declare dividends for any year except out of profits relating to any Financial Year

These restrictive covenants may require us to seek the prior permission of the banks and financial institutes for various activities, which may include, amongst others, declare or pay any dividend to our shareholders with the prior permission of the lenders during any Financial Year unless we have paid all the dues to the respective lenders or have made satisfactory provisions thereof. Such restrictive covenants can affect our ability to take and implement various business decisions smoothly and also our dividend declaration in future which can affect our shareholders interests adversely.

23. We have high capital expenditure and working capital requirements. If we experience insufficient cash flows to meet required payments for our debt, working capital and capital expenditure requirements, there may be an adverse effect on our results of operations.

We are operating in a capital-intensive industry. Our ability to arrange financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, state of capital markets, investor confidence and the continued success of our business. Our attempts to consummate future financings may not be successful or on favourable terms and failure to obtain financing on terms favourable to us could have an adverse effect on our business prospects and results of operations.

24. Our Company may not have adequate insurance to cover all probable risks in its business operations.

The business operations of our Company could result in personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks including fire, theft, flood, earthquakes and terrorism. Although our Company implements safety measures to reduce the risk of fire and thefts, it cannot eliminate these risks completely. It maintains insurance coverage to such amount and against such risks, which it believes, is in accordance with prevailing industry practices.

However, such insurance may not be adequate to cover all conceivable losses or liabilities that may arise from operations, and our Company may, in future, not be able to maintain insurance of the types or at levels, which we deem necessary or adequate or at rates which we consider reasonable.

25. Our operations may be adversely affected in case of industrial accidents at our manufacturing unit.

There may be industrial accidents at our manufacturing unit, which could cause injury to our employees / workers, other persons on the site and could also damage our properties thereby affecting our operations. Though our plants and machinery and personnel are covered under insurance, occurrence of any accidents could hamper our production schedules and consequently affect our profitability.

26. Our operations could be seriously affected in case of industrial unrest at our manufacturing unit.

We have a manufacturing unit located at Daman. In case of industrial unrest and / or disruption in the day-to-day functioning of our unit we may face disruption in our production and consequent financial losses.

27. We may not be able to sustain effective implementation of our business and growth strategy.

In the year 1997, our Company had issued 50,70,620 Equity Shares through an Initial Public Offer for the purpose of part-financing our proposed project of setting up a manufacturing unit in Amli-Silvassa. The project, however, was not successfully implemented due to slowdown in the Indian economy and lack of business opportunities. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Whilst we have generally been successful in execution of our business strategy in the recent past, there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

28. Our Company's revenues and profits are difficult to predict and can vary significantly from quarter to quarter. This could cause our share price to fluctuate.

Our Company's quarterly operating results fluctuate from quarter to quarter depending upon the buying pattern of our customers. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our Company's future performance. It is possible that in the future some of our Company's quarterly results of operations may be below the expectations of market analysts and our investors, which could lead to a significant decline of the share price of our Equity Shares.

29. Delay in the implementation of the proposed projects, may lead to cost over-runs.

Delays in the scheduled implementation of our project for any reason, including delays in receipt of government approvals or delays in delivery of equipment by suppliers, could result in cost over run which in turn will require additional funds and will impact the overall profitability of our Company.

30. Our expansion plans may not yield the benefits actually intended.

Our expansion plans are based on feasibility study done by our Company and internal estimates. Actual market conditions may vary from these estimates and therefore may not yield the returns intended.

For further details please refer to section titled 'Objects of the Issue' on page no. 32 of this Red Herring Prospectus.

31. We may undertake strategic acquisitions to enhance our capabilities and address gaps in service verticals and geographic coverage, which may not be successful.

We may pursue strategic acquisition opportunities to enhance our capabilities and address gaps in service verticals and geographic coverage. It is possible that we may not identify suitable acquisition or investment candidates or joint venture partners, or if we do identify suitable candidates or partners, we may not complete those transactions on terms commercially acceptable to us or at all. Further, the amount of funds required for acquisition and their deployment is uncertain. Pending any use of funds raised from the Issue, the proceeds from the Issue will be deployed as per details given in the Section titled 'Objects of the Issue' on page no. 32 of this Red Herring Prospectus.

The inability to identify suitable acquisition targets or investments or joint ventures or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects.

If we acquire another company, we could have difficulty in assimilating that company's personnel, operations and technology. In addition, the key personnel of the acquired company may decide not to work with us. In some cases, we could have difficulty in integrating the acquired products, services or technologies with our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses thus adversely impacting our business, revenues and profitability.

32. Our Company has not placed orders for Plant and Machinery aggregating to Rs. 1070.97 lacs.

We would be acquiring plant and machinery amounting to Rs. 2779.72 lacs, pursuant to the expansion cum modernization program. Our Company has as on March 31, 2009 placed orders for machineries worth Rs. 1708.75 lacs and orders for remaining machineries aggregating to Rs. 1070.97 lacs are yet to be placed. As a percentage of total plant and machinery cost the machineries for which orders have not been placed amounts to 38.53%. For further details please refer to the section titled 'Objects of the Issue' starting from page no. 32 of this Red Herring Prospectus.

B. EXTERNAL RISK FACTORS

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

Industrial investment is fallout of strong economy and positive outlook of economic growth. However, if economic growth slows down, then we may witness investment plans by corporate getting shelved. This is also one of the concerns for our business as lot of demand comes from this sector.

Although the Indian economy has shown sustained growth over the last few years and according to the advance estimates released by the Central Statistical Organization (CSO), real Gross Domestic Product (GDP) at factor cost grew by 9 per cent in 2007-08 after recording a 9.6 per cent growth in 2006-07. Any slowdown in the Indian economy could adversely affect the spending capacity of our customers and could adversely affect our financial performance. (Source: CMIE)

2. We face competition from existing and new entrants, which in turn can adversely affect our margins.

As the market is expanding, smaller players are getting larger orders, which will enable them to compete with existing large players, which will in going forward increase competition. Presently, there are few players competing for large orders, however over the next couple of years, once various small producers start building up pre-qualifications, the competition in this space could intensify. This could result in margins coming under pressure.

3. An investor may face volatility in prices or may be affected by an inactive market for the Equity Shares.

After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop. The prices of our Equity Shares on the Stock Exchanges may fluctuate as a result of several factors, including:

- Volatility in the Indian and global securities market;
- Our results of operations and performance, in terms of market share;
- Performance of the Indian economy;
- Changes in Government policies;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Perceptions about our future performance or the performance of our industry segments;
- Performance of our Company's competitors and market perception of investments in the industry segments that we currently operate in;
- Adverse media reports on our Company or our industry segments;
- Changes in the applicable tax incentives;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations.

4. We operate in a highly competitive market, which could effect our growth.

The Indian Cable market is highly competitive with a large number of cable manufacturers. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to react faster to trends and changes in customer demand. Growing competition may result in a decline in our market share and force us to reduce our margins and revenues. We face severe competition from Indian as well as international manufacturers.

5. Any further issuance of Equity Shares by our Company or sale of Equity Shares by any significant shareholders may adversely affect the trading price of our Equity Shares.

Any future issuance of Equity Shares by our Company could dilute shareholding of the investors. Any such future issuance of our Equity Shares or sale of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

6. In case of any cross-border tension with any neighbouring countries the international business of our country will be affected which in turn will affect the business of our Company.

South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries, such as between India and Pakistan. Military activity or terrorist attacks in the future could influence the Indian economy. This could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

7. Force majeure events, terrorist attacks and other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial conditions and cash flows.

Certain Force Majeure events, being beyond our control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India, or other countries, may adversely affect worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. More generally, any of these events could lower confidence in India. Any such event could adversely affect our financial performance or the market price of our Equity Shares.

8. Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company.

Since 1991, the Government of India has pursued policies of economic liberalization, including relaxing restrictions on the private sector. We cannot provide any assurance that the process of liberalization will be sustained in future. There could be a slowdown in the pace of economic development. The rate of economic liberalization could change, specific laws and policies could change, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. Any such change may have an adverse impact on our business.

9. Political, economic, social developments in India could adversely affect our business.

All our facilities and other assets are located in India and all of our officers and directors are resident in India. Our operations and financial results and the market price and liquidity of our Equity Shares may be affected by changes in the Indian Government policy or taxation or social, ethnic, political, economic or other developments in or affecting India. India has also witnessed civil disturbances in recent years. While these civil disturbances did not directly affect our operations, it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us.

10. Statutory taxes and other levies may affect our margin in the event of our inability to factor such expense in our trading margin.

Any increase in taxes and / or levies, or the imposition of new taxes and / or levies in the future, may have a material adverse impact on our business results of operations and financial condition.

11. Risk arising from changes in the interest rates and banking policy.

Our Company is subject to risk arising from changes in interest rates and banking policy. We are dependent on various banks and financial institutions for arranging our working capital requirements, term loans, etc. Accordingly, any change in the extant banking policy or increase in interest rates may have an adverse impact on our Company's profitability.

NOTES TO RISK FACTORS

1. Issue of 90,00,000 Equity Shares of Face Value of Rs. 10/- each at a price of Rs. [●] for cash aggregating Rs. [●]. The Issue comprises a Net Issue to Public of 68,54,500 Equity Shares at Rs. [●] each, and Promoters' Contribution of 21,45,500 Equity Shares at Rs. [●] each. The Net Issue to the Public will constitute 46.66 % of the post issue paid-up capital of our Company. The Issue would constitute 61.27% of the fully diluted post Issue paid up capital of our Company.
2. The net worth of our Company as on March 31, 2007, March 31, 2008 and December 31, 2008 was Rs. 542.50 lacs, Rs. 930.18 lacs and Rs. 1936.01 lacs respectively as per our restated financial statements under Indian GAAP.
3. The NAV per Equity Share of Rs. 10/- each was Rs. 14.83 as on March 31, 2007, Rs. 18.36 as on March 31, 2008 and Rs. 34.03 as on December 31, 2008, as per our restated financial statements under Indian GAAP.
4. The average cost of acquisition of Equity Shares of our Company by our Promoters, Mr. Sunil Golchha is Rs. 3.52, Mr. Kamal Golchha is Rs. 1.81 and Mr. Bhanwar Lal Golchha is Rs. 10/- per Equity Share of Rs. 10/- each.
5. Trading in Equity Shares of our Company shall be in dematerialized form only.
6. Any clarification or information relating to the Issue shall be made available by the BRLMs, the Co-BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
7. Investors may contact the BRLMs, the Co-BRLM and the Syndicate Members for any complaints, information or clarification pertaining to the Issue. For contact details of the BRLMs, please refer to the cover page of this. Red Herring Prospectus.
8. We have entered into Related Party Transactions amounting to Rs. 4.41 lacs in FY 2004 with our subsidiary company. For further details on other Related Party Transactions please refer to the sub-section titled "Statement of Transactions with Related Parties" under section titled "Financial Statements" beginning on page no. 107 of this Red Herring Prospectus.
9. For interest of our Promoters and Directors, please refer to sections titled "Our Promoters and Promoter Group", "Our Management" and "Financial statements" beginning on page no. 84, 75 and 88 respectively of this Red Herring Prospectus..
10. Except as disclosed in the sections titled "Our Promoters and Promoters Group" and "Our Management", none of our Promoters, our Directors and our key managerial employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding;
11. Investors are advised to refer to the paragraph on "Basis for Issue Price" on page no. 41 of this Red Herring Prospectus before making an investment in this offer and "Basis of Allotment" on page no. 169 of this Red Herring Prospectus for details of the allotment procedure.
12. The Issue is being made through a 100% Book Building Process wherein upto 50% of the Net Issue will be available for allocation on a proportionate basis to QIBs, of which 5% shall be available for allocation to 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 Retails Individual Bidders, subject to valid Bids being received at or above the Issue Price.
13. In the event of the offer being oversubscribed, the allotment shall be on a proportionate basis to Qualified Institutional Bidders, Retails Individual Bidders and Non-Institutional Bidders (please refer to the section titled "Basis of Allotment" starting from page no. 169 of this Red Herring Prospectus).

SECTION III: INTRODUCTION

This is only a summary and does not contain all information that one should consider before investing in the Equity Shares offered by our Company. Investors should read this entire Red Herring Prospectus, including the information on the section titled "Risk Factors" beginning from page no. x of this Red Herring Prospectus and the section titled "Financial Statements" and related notes beginning from page no. 88 this Red Herring Prospectus before taking any decision to invest in the Equity Shares offered by our Company.

SUMMARY OF INDUSTRY

OVERVIEW OF THE INDIAN ECONOMY

The economy has experienced rapid growth in recent years and according to the advance estimates released by the Central Statistical Organization (CSO), real GDP at factor cost grew by 9 per cent in 2007-08 (*Source: CSO-Press Note dated 30th May, 2008*)

GDP at current market prices is projected at Rs. 46,93,602 Crores in 2007-08 by the Central Statistical Organization (CSO) in its advance estimates (AE) of Gross Domestic Product. Thus, in the current fiscal year, the size of the Indian economy at market exchange rate will cross US\$ 1 trillion. At the nominal exchange rate (average of April-December 2007) GDP is projected to be US\$ 1.16 trillion in 2007-08. Per capita income at nominal exchange rate is estimated at US\$ 1,021. (*Source: Economic Survey 2007-08*)

GDP at factor cost at constant 1999-2000 prices is projected by the CSO to grow at 8.7 percent in 2007-08. This represents a deceleration from the unexpectedly high growth of 9.4 per cent and 9.6 per cent, respectively, in the previous two years. With the economy modernizing, globalizing and growing rapidly, some degree of cyclical fluctuation is to be expected. This was taken into account while setting the Eleventh Five Year Plan (2007-08 to 2011-12) growth target of 9 per cent (both in the approach paper and in the NDC approved plan). Given the over 9 per cent growth in the last two years of the Tenth Five Year Plan it was argued that the Eleventh Five Year Plan target could be set at 10 to 11 per cent as 9 per cent had already been achieved. Maintaining growth rate at 9 per cent will be a challenge and raising it to two digits will be an even greater one. (*Source: Economic Survey 2007-08*)

There was acceleration in domestic investment and saving rates to drive growth and provide the resources for meeting the 9 per cent (average) growth target of the Eleventh Five-Year Plan. (*Source: Economic Survey 2007-08*)

CABLE INDUSTRY IN INDIA

India's growth story is so far impressive with GDP growing at the brisk pace of 9 percent; Infrastructure needs to grow at a similar level for sustaining this GDP growth. Power and Telecom network spread across the country form the critical infrastructure backbone of India's economy. This infrastructure is undoubtedly dependent upon the manufacturers of power cables and manufacturers of telecom cables in the Indian cables industry. As of today, the penetration levels of both power and telecom networks is rapidly increasing and so is the tele-density and per capita power consumption. This augurs well for the suppliers of power cables and suppliers of telecom cables.

Apart from the power cables and telecom cables, Indian cable manufacturers are producing technologically advanced specialty cables including instrumentation cables, process control cables, Low voltage electrical power cables, rubber cables, control cables, which are used by the space, oil, gas, petrochemicals, fertilizers, cement, steel, railways, medical, automotive, electronics and many other core sectors of the Indian economy.

The Indian Electrical cable industry is highly fragmented with large number of cable producers. Many of these companies are small-scale cable producers, the smallest of which are family-run operations which use the most basic production equipments. There has been very limited consolidation amongst the major players in the industry. The tendency of cable companies to grow organically, rather than by acquisition of competitors, means that no dominant groups have emerged in the industry.

Historically, the demand in the Electrical cable industry has been characterized by its cyclical pattern. The sector witnessed sustained market depression during the period 1998-2003 and since then the industry is on the upswing. With infrastructure receiving priority attention from the Government of India, construction, power and telecom sectors are fast developing. This will give a boost to the wire and cable industries in the near future. Annual average growth of the Wire and Cable industry during 2002-05 was approximately 5.6%. In 2003-04, the non-SSI sector has reported production of 8.33 lacs kms, which was 7% higher than previous year. (*Source: Annual Reports of the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry for the years 2004-05, 2005-06, 2006-07 and 2007-08*)

In 2004-05 the non-SSI sector has reported production of 7.40 lacs core kms; which was 11% lower than the previous year. In 2005-06 the non-SSI sector has reported production of 8.86 lacs core kms, showing healthy growth of 19.65%. In 2006-07, the non-SSI sector has reported production of 8.17 lacs core kms. During the year 2007-08 (up to December 2007) the reported production was over 20.93 lacs core kms. *(Source: Annual Reports of the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry for the years 2004-05, 2005-06, 2006-07 and 2007-08)*

This growth pattern is likely to go on for next few years due to various favorable factors, such as Power Sector reforms, growth in other infrastructure sectors, high growth rate of Indian economy etc.

The wire and cable industry is de-licensed and eligible for automatic approval for Foreign Direct Investment up to 100 per cent of the equity capital employed. India exported wires and cables of value around Rs.1,520.7 Crores in 2006-07 against import of around Rs. 1551.4 Crores in the same period. *(Source: Annual Reports of Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry for the years 2007-08)*.

SUMMARY OF OUR BUSINESS

OVERVIEW

Our Company was incorporated as a public limited company in the year 1994 under the Companies Act, 1956 by Shri Bhanwar Lal Golchha, Shri Sunil Golchha and Shri Kamal Chand Golchha. The registered office of our Company is situated at Goregaon, Mumbai and the manufacturing unit of our Company is located at Daman. Komet Wire Industries Private Limited became a subsidiary of our Company in 2002. In order to take advantage of synergies existing in operations of both the companies, Komet Wire Industries Private Limited was amalgamated with our Company w.e.f. April 1, 2004 in pursuance of the order of the Honorable High Court of Bombay dated October 7, 2005. Our Company was initially engaged in trading of cables and thereafter diversified into manufacturing activities. The business of our Company has grown considerably over the years and is presently one of the well-known cable manufacturers in India.

Over the years, we have expanded our product range and have added variety of cables in our product range like Industrial control cables, Hi-Tech data cables, Process control instrument signal cables, Thermocouple extension and Compensating cables, Computer application, Hi- Bit rate networking cables, Digital data communication cables, Specialty cables and Customized cables. With the objective of moving up the value chain we identified new opportunities and are now diversifying into Electrical Low Voltage Power cables on a major level. Pursuant to this objective we initiated a modernization cum expansion program in April 2007. We now intend to set-up a separate manufacturing unit for control cables at Daman and a separate manufacturing unit for Electrical Low Voltage Power cables at Silvassa apart from expanding and modernizing manufacturing facilities at our existing unit at Daman.

At present, our Company manufactures cables up to 1.1 KV for various applications covering most segments of users industries. We cater to a wide spectrum of cable users in various industries like Power and Electrical Distributions and Transmission, Steel and Metal, Cement, Mines and Minerals, Petrochemicals and fertilizers, Paper Mills and Fine chemicals, Hydrocarbon Process Industries, Software Technology IT Park and Infrastructure.

Our Company is a regular supplier to many large corporates and well-known public and private sector Undertakings. Our clients are from diverse industries and include large corporates such as Tata Power Company Ltd (Sales amounted to 0.45% of total sales in the FY 06-07 and 0.36% of total sales in FY 07-08), Reliance Industries Ltd (Sales amounted to 1.36% of total sales in the FY 06-07 and 1.48% of total sales in FY 07-08), Grasim Industries Ltd (Sales amounted to 8.16% of total sales in the FY 06-07 and 2.56% of total sales in FY 07-08), Bharat Aluminium Co. Ltd (Sales amounted to 0.22% of total sales in the FY 07-08), Century Enka Ltd (Sales amounted to 0.47% of total sales in FY 07-08), Welspun Gujarat Stahl Rohren Ltd (Sales amounted to 1.35% of total sales in the FY 06-07 and 0.64% of total sales in FY 07-08), Siemens Ltd (Sales amounted to 1.88% of total sales in the FY 06-07 and 0.43% of total sales in FY 07-08), Sanghi Industries Ltd (Sales amounted to 7.47% of total sales in the FY 06-07 and 4.90% of total sales in FY 07-08), Adani Agri Logistics Ltd (Sales amounted to 0.34% of total sales in the FY 06-07 and 0.58% of total sales in FY 07-08), Johnson Controls India Pvt. Ltd (Sales amounted to 0.59% of total sales in the FY 06-07 and 0.71% of total sales in FY 07-08), Essar Constructions Ltd (Sales amounted to 2.80% of total sales in the FY 06-07 and 4.86% of total sales in FY 07-08), J K Laxmi Cement (Sales amounted to 1.47% of total sales in the FY 06-07 and 3.57% of total sales in FY 07-08), Filatex India Ltd (Sales amounted to 4.76% of total sales in the FY 06-07 and 0.18% of total sales in FY 07-08), Siyarams Silk Mills Ltd (Sales amounted to 0.24% of total sales in the FY 06-07 and 2.18% of total sales in FY 07-08), Essar Steel Ltd (Sales amounted to 31.85% of total sales in the FY 06-07 and 2.33% of total sales in FY 07-08), Alok Industries Ltd (Sales amounted to 2.05% of total sales in FY 07-08), Essar Power Ltd (Sales amounted to 3.83% of total sales in FY 07-08), Kalpatru Power Transmission Ltd (Sales amounted to 0.50% of total sales in the FY 06-07 and 6.37% of total sales in FY 07-08), Gupta Synthetics Ltd (Sales amounted to 1.80% of total sales in the FY 06-07), Gas Authority of India Ltd (Sales amounted to 0.42% of total sales in the FY 06-07 and 0.29% of total sales in FY 07-08), Hindustan Lever Ltd (Sales amounted to 1.19% of total sales in FY 07-08), Hindustan Oil Exploration Ltd (Sales amounted to 2.88% of total sales in FY 07-08), Hindalco Industries Ltd (Sales amounted to 0.49% of total sales in FY 07-08) and others.

Our Company is BS EN ISO 9001:2000 certified by BSI, UK and also IS 694:1990, IS: 1554:1988 Part 1: 1988 by Bureau of Indian Standards. The validities of these certifications are upto August 9, 2009, June 21, 2009 and June 21, 2009 respectively.

OUR COMPETITIVE STRENGTHS

We believe the following are our core strengths.

Wide customer base and long term customer relationship

We have a track record of providing quality cables to our customers on a continuous and uninterrupted basis. We have maintained excellent relationships with our customers, due to our ability to offer customized and tailor made products as per the design specifications of our clients. We receive repeat orders from our clients in various sectors like Oil and Gas, Steel, Power, Chemical, Cement, Fertilizer, Defence and Telecom etc. Our strong relation with clients is one of the major reasons for our success over these years.

Our comparatively low cost of production

Due to our good relationship with our suppliers, we are able to purchase the raw materials at competitive rates on a timely manner. Our well-defined raw material policy ensures that optimal quality of raw materials is maintained. In order to keep the unit cost of production low, we make continuous efforts to cut our costs wherever possible; at the same time ensuring that the quality does not suffer. Our continuous efforts in reducing costs as well as offering best quality products to our clients has helped us to establish a name for our products in the market.

Established and proven track record with high service standard

We are a well known cable manufacturing company offering wide range of products. We are a regular supplier of various types of custom made and standard cables to companies like Tata Power Company Ltd., Grasim Industries Ltd., Reliance Industries Ltd., Essar Steel Ltd., Essar Power Ltd., Siemens Ltd., Essar Constructions Ltd., J.K Laxmi Cement Ltd., Sanghi Industries Ltd., Welspun Gujarat Stahl Rohren Ltd., etc., Our strength lies in our impeccable track record of timely and quality deliverables, which enables us to withstand competition and develop long lasting relations with our customers.

Extensively experienced promoters

Our Promoters have more than 20 years of experience in the cable industry. Mr. Sunil Golchha, Managing Director started his career in 1987 with M/s. Udey Pyrocables Private Limited a cable manufacturing company. He is currently looking after the overall functioning of our Company with special focus on business development and marketing. Mr. Kamal Chand Golchha started his own proprietary firm in the name of M/s Kiran Sales Corporation in the year 1987, which was into the business of mining and minerals. He was also associated with M/s ECI Cables Corporation. He is looking after the manufacturing facilities of our Company and is responsible for the execution of orders on time. Mr. Bhanwar Lal Golchha is giving guidance to our Company on strategic matters.

Wide product portfolio and ability to cater to diverse market requirements

Our Company provides an extensive range of power, control, instrumentation and specialty cables conforming to Indian standards. We have continuously expanded our product range and have added variety of cables in our product range like Industrial control cables, Hi-Tech data cables, Process control instrument Signal cables, Thermocouple extension and compensating cables, Computer application Hi-Bit rate networking cables, Digital data communication cables, Low voltage power cables, Specialty cables and Customized cables. Diversified product portfolio reduces the risk of slowdown in the business.

Good relations with workforce

Our Company has been maintaining good relations with the work force over the years, which has been one of the instrumental factors for our success. We keep our work force satisfied and motivated by remunerating them well and providing them with good working conditions.

Our excellent relationships with bankers and suppliers

Our Company has enjoyed good relations with its bankers over the years. We started banking with United Western Bank Limited (now IDBI Bank) in the Year 1997. Over the years, our cash credit limit was raised to Rs. 330 Lacs and Term Loan of Rs. 100 Lacs was sanctioned and disbursed. We have received a sanction of Rs.1000 Lacs for the expansion plan. With this the total exposure of IDBI Bank would be in the tune of Rs. 1430 Lacs. We also enjoy good relations and a reasonable credit period from our suppliers.

OUR BUSINESS STRATEGY

Our vision is to become a renowned and major cable manufacturer by providing cost-effective and quality products for industrial as well as domestic users. In line with this vision, our strategy is to capitalize on our core strengths and thus enhance the volume of our business. We intend to focus on our existing range of products with specific emphasis on the following as a part of our growth strategy:

To increase our scale of operation by undertaking a modernization cum expansion program

With the increased demand from our customers, we realized the need for increasing our capacity by modernizing our existing facilities and also by setting up of two new production facilities for power cables and control cables. With this view, we planned to modernize our existing facility at Daman (Unit I) and set up two new facilities at Daman (Unit II) and at Silvassa (Unit III) for manufacture of control and power cables respectively.

We have already incurred cost of Rs. 271.45 lacs towards modernization of existing unit. The modernization of the Unit No. I was completed by September 2008. For setting up our Unit II we have already acquired a plot located near to our existing Unit (Unit I) at Daman. The construction work is in the final stage of completion and the commercial production is expected to commence by June 2009. We have also entered into an MOU for land admeasuring approx. 48,000 square meters at Silvassa on June 27, 2008 for setting up of Unit III. The Unit III is expected to ready and the commercial production is expected to start in November 2009.

The following table shows the location of existing and new units –

Units	Location
Unit No. I (Expansion of existing Unit)	Daman
Unit No. II (New Unit for Control Cables)	Daman
Unit No. III (New Unit for Power Cables)	Silvassa

The schedule of the modernization cum expansion program is expected to be as under –

Units	Commencement	Completion
I	April, 2007	September, 2008
II	January, 2008	June, 2009
III	June, 2008	November, 2009

The proposed expansion will give us economies of scale and ability to execute bulk orders. For more details please refer to section titled “Objects of the Issue” on page no. 32 of this Red Herring Prospectus.

To strengthen our relationships with existing clients and to develop relationships with new clients

Our Company has executed orders for various corporate giants like Reliance Industries Ltd., Tata Power Company Ltd., Grasim Industries Ltd., Hindalco Industries Ltd., Johnson Controls India Pvt. Ltd., Sanghi Industries Ltd., Essar Constructions Ltd., Filatex India Ltd.etc. We will further consolidate and strengthen our relationship with existing clients by providing them with quality products and at the same time will consistently develop new relations. The top ten clients of our Company as per Sales Turnover in FY 2008 are as under -

Sr. No.	Name
1.	Essar Steel Ltd.
2.	Essar Power Ltd.
3.	Essar Constructions Ltd.
4.	Siemens Ltd. (Power Projects Division)
5.	Johnson Controls India Pvt. Ltd.
6.	J K Laxmi Cement Ltd.
7.	Sanghi Cement Ltd.
8.	Grasim Industries Ltd.
9.	Milan Electricals
10.	Welspun India Ltd.

To continue focus on product development through constant research and development

Our Company continues to focus on research and development as a core thrust of our business. We intend to continuously develop customized cables for our customers to satisfy their requirement. We believe constant research and development would enable us to remain ahead of competition and also to help customers with lower costs and enhance their efficiency. We also focus on process improvements to bring down operational costs and enhance the quality of products. Through an in-house quality control and research and development, we have created our own knowledge database and are providing new products to our customers. Our Company makes continuous efforts to apply modern techniques in the manufacturing process as a practice, in order to achieve better quality products.

To widen our portfolio across sectors

Our Company caters to various industries, which has contributed towards increasing our technical know-how and range of products offered. We aim to continue diversifying our product line across various industries, so as to mitigate any sort of risk that may arise in the future due to slowdown in any particular industry.

To strengthen our competitive position

Our Company intends to strengthen the competitive position of our products by undertaking brand-building exercise. We would focus on providing quality products at competitive prices.

To make optimal utilization of resources

Our Company constantly endeavors to improve our productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We regularly analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and timely correct the same. This helps us in improving efficiency and putting resources to optimal use.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary of financial information derived from our restated financial statements as of and for the Financial Years ended March 31, 2004, 2005, 2006, 2007, 2008 and for the period of nine month ended December 31, 2008. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act, 1956 and the SEBI (DIP) Guidelines and are presented in the section titled “Financial Statements” on page no. 88 of this Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements, the notes thereto and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page no. 111 of this Red Herring Prospectus.

Restated Summary of Assets and Liabilities

(Rs. in Lacs)

Particulars	For the year ending March 31					For the period of 9 months ended Dec. 31 2008
	2004	2005	2006	2007	2008	
Fixed Assets						
Gross Block	58.62	200.05	261.16	338.98	632.38	662.02
Less: Depreciation	18.87	36.69	48.09	59.89	82.76	106.62
Net Block	39.75	163.36	213.07	279.09	549.62	555.4
Capital Work in progress	99.53	-	7.64	10.72	170.88	552.41
Sub Total (A)	139.28	163.36	220.71	289.81	720.5	1107.81
Investments (B)	80.39	-	-	-	-	-
Current Assets, Loans and Advances						
Inventories	30.03	181.36	224.45	257.29	485.12	467.97
Sundry Debtors	58.39	120.04	250.33	359.87	842.79	1006.96
Cash and Bank balances	4.78	19.1	2.7	5.27	23.22	14.42
Loans and Advances	66.11	30.04	39.16	46.75	115.45	152.77
Sub Total (C)	159.31	350.54	516.64	669.18	1466.58	1642.13
Sub Total (A+B+C)	378.98	513.9	737.35	958.99	2187.08	2749.94
Less: Loans and Liabilities						
Secured Loans	38.17	103.77	129.11	238.05	468.62	444.6
Unsecured Loans	-	14.76	11.03	3.56	378.04	17.44
Current Liabilities and Provisions	3.46	28.48	163.21	154.07	389.43	331.09
Deferred Tax Liability	8.42	20.81	20.81	20.81	20.81	20.81
Sub Total (D)	50.05	167.81	324.16	416.49	1256.9	813.93
Net Worth (A+B+C-D)	328.93	346.08	413.19	542.5	930.18	1,936.01
Represented by						
Equity Share Capital	324.42	324.42	333.71	381.86	568.91	568.91
Reserves and Surplus	11.38	27.93	85.02	165.47	365.35	650.3
Share Application Money	-	-	-	-	-	721
Less: Miscellaneous Expenditure not written off	6.87	6.27	5.54	4.83	4.08	4.2
Net Worth	328.93	346.08	413.19	542.5	930.18	1936.01
Details for Reserves and Surplus						
General Reserve	3	3	3	3	3	3
Profit and Loss Account	8.38	24.93	82.02	162.47	362.35	647.3
Total	11.38	27.93	85.02	165.47	365.35	650.3

Restated Statement of Profit & Loss Account

(Rs. In Lacs)

Particulars	For the year ending March 31					For the period of 9 months ended Dec. 31
	2004	2005	2006	2007	2008	2008
Income						
Net sales	93.82	346.21	910.61	1052.85	3108.94	3265.99
- Revenue From Sale of Manufactured Goods	-	346.21	910.61	1052.85	3108.94	3265.99
- Revenue From Traded Products	93.82	-	-	-	-	-
Other Income	7.10	4.24	2.43	7.15	23.26	18.06
Increase / (Decrease) in Stock	(24.98)	42.34	79.43	(18.96)	107.42	(33.58)
Total	75.95	392.78	992.47	1041.04	3239.63	3250.47
Expenditure						
Raw Material consumed / Purchases	55.27	296.76	822.72	842.32	2766.70	2768.67
Employee Expenses	3.09	17.84	23.07	20.88	31.23	30.55
Manufacturing Expenses	-	17.26	24.67	25.27	32.40	34.77
Administration Expenses	7.55	24.90	26.51	19.51	40.51	41.58
Interest & Bank Charges	5.97	15.49	18.94	24.23	41.04	35.05
Depreciation	3.03	8.14	11.40	14.90	25.68	23.85
Preliminary Expenses W/off	0.85	0.73	0.73	0.73	0.73	0.00
Total	75.75	381.11	928.03	947.84	2938.28	2934.48
Net Profit before tax and extraordinary items	0.20	11.67	64.43	93.20	301.35	315.99
Less: Provision for Taxation (Including for Current Tax, Deferred Tax & FBT)	0.74	5.52	7.34	12.74	34.91	31.05
Net Profit After Tax but before extraordinary items	(0.54)	6.16	57.09	80.46	266.44	284.94
Less – Extraordinary items	-	-	-	-	-	-
Net Profit after tax and extraordinary items	(0.54)	6.16	57.09	80.46	266.44	284.94
Surplus from Previous Year	8.92	18.77*	24.93	82.02	162.47	362.36
Amount Available for Appropriation	8.38	24.93	82.02	162.47	428.91	647.30
Appropriations:-						
Dividend including Dividend Distribution Tax (Interim Dividend)	-	-	-	-	66.56	-
Balance carried to Balance Sheet as surplus to P/L	8.38	24.93	82.02	162.47	362.35	647.30

* The carry forward surplus of FY 2004-05 is increased due to the amalgamation of M/s Komet Wire Industries Private Limited with the Company. Therefore the c/f. surplus of FY 2003-04 is not matching with the b/f. surplus of FY 2004-05.

Cash Flow Statement prepared from the Restated Financial Statements

Particulars	For the year ending March 31					(Rs. in Lacs)
	2004	2005	2006	2007	2008	For a period of 9 months ended Dec. 31 2008
A. CASH FLOW FROM OPERATING ACTIVITIES: -						
Net Profit before Tax and Extraordinary items	0.20	11.67	64.43	93.20	301.35	315.99
Adjustments for:-						
Depreciation & Preliminary Exp. Written off	3.88	8.87	12.13	15.63	26.41	23.85
(Profit)/Loss on sale of Fixed Assets	-	(4.12)	-	0.68	5.42	-
Profit/Loss on sale of Investments /Other Assets	-	(0.18)	-	-	-	-
Interest Income	(6.58)	-	(0.15)	(0.13)	(0.10)	(0.45)
Interest Expense	5.97	15.49	18.94	24.23	41.04	35.05
Operating profit before working capital changes	3.46	31.73	95.35	133.60	374.11	374.44
Adjustments for changes in Working Capital:-						
Decrease / (Increase) in Trade and Other Receivables	(6.91)	(25.59)	(139.41)	(117.12)	(551.62)	(201.50)
Decrease / (Increase) in Inventories	24.98	(151.32)	(43.10)	(32.84)	(227.83)	17.15
Increase / (Decrease) in Trade & Other Payables	(28.71)	37.41	134.73	(9.16)	235.38	(58.35)
CASH GENERATED FROM OPERATIONS	(7.18)	(107.77)	47.58	(25.52)	(169.96)	131.75
Direct Taxes paid / Provisions adjusted	0.74	5.52	7.34	12.74	34.91	31.05
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(7.92)	(113.28)	40.24	(38.26)	(204.87)	100.70
Extraordinary items	0.38	13.71	-	-	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	(7.54)	(99.57)	40.24	(38.26)	(204.87)	100.70
B.CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase Fixed assets	(1.66)	(41.90)	(68.75)	(89.68)	(461.79)	(411.26)
Proceeds from Sale of Investments	-	80.58	-	-	-	-
Proceeds from Sale of Fixed Assets	-	4.12	-	5.00	-	-
Interest received	6.58	-	0.15	0.13	0.10	0.45
NET CASH (USED IN) /FROM INVESTING ACTIVITIES (B)	4.92	42.79	(68.60)	(84.55)	(461.69)	(410.81)
C. CASH FLOW FROM FINANCING ACTIVITIES:						
Proceeds of call money on Share Capital	-	-	9.29	48.15	187.05	-
Proceeds of Share Application Money	-	-	-	-	-	721.00
Proceeds of Loans from Banks	11.48	65.60	25.34	108.93	230.58	(24.03)
Proceeds / (Repayment) of Unsecured Loans	-	14.76	(3.73)	(7.47)	374.48	(360.60)
Dividend Paid (Including Tax thereon)	-	-	-	-	(66.56)	-
Interest & Finance Charges Paid	(5.97)	(15.49)	(18.94)	(24.23)	(41.04)	(35.05)
NET CASH (USED IN) /FROM FINANCING ACTIVITIES (C)	5.51	64.87	11.97	125.39	684.51	301.33
D.Net increase/(decrease) in cash & cash equivalents (A+B+C)	2.90	8.10	(16.40)	2.57	17.95	(8.79)
Cash and cash equivalents at the beginning of the year	1.88	11.00	19.10	2.70	5.27	23.22
Cash and cash equivalents at the end of the year	4.78	19.10	2.70	5.27	23.22	14.43
Net Increase/(Decrease) in cash & cash equivalents (D)	2.90	8.10	(16.40)	2.57	17.95	(8.79)

THE ISSUE

Issue of our Equity Shares:	90,00,000 Equity Shares of Face Value of Rs. 10/- each
Of which:	
Promoters Contribution:	21,45,500 Equity Shares of Face Value of Rs. 10/- each constituting 23.84% of this Issue
And	
Net Issue:	68,54,500 Equity Shares of Face Value of Rs. 10/- each
Comprising	
Qualified Institutional Buyers Portion:	Not more than 34,27,250 Equity Shares of Face Value of Rs. 10/- each, constituting not more than 50% of the Net Issue (allocation on a proportionate basis) of which, 1,71,370 Equity Shares of Face Value of Rs. 10/- each will be available for allocation to Mutual Funds and balance for all QIBs including Mutual Funds.
Non-Institutional Portion:	Not less than 10,28,175 Equity Shares of Face Value of Rs. 10/- each, constituting not less than 15% of the Net Issue that will be available for allocation to Non-Institutional Bidders on a proportionate basis.
Retail Portion:	Not less than 23,99,075 Equity Shares Face Value of Rs. 10/- each, constituting not less than 35% of the Net Issue that will be available for allocation to Retail Individual Bidders on a proportionate basis.
Equity Shares outstanding prior to the Issue:	56,89,100 Equity Shares of Face Value of Rs. 10/- each
Equity Shares outstanding post Issue	1,46,89,100 Equity Shares of Face Value of Rs. 10/- each
Use of proceeds by our Company:	Please refer the section titled “Objects of the Issue” starting from page no. 32 of this Red Herring Prospectus for additional information.

Note: In the case of over-subscription in all categories, not more than 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion would be available for allocation on a proportionate basis to all QIB bidders, including Mutual Funds. Not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. 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 BRLMs and the Co-BRLM. For more information, please refer to the Chapter titled “Issue Procedure” starting from page no. 150 of the Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Rishabhdev Technocable Limited on November 24, 1994 under the Companies Act, 1956 with its registered office at No. 9, R.N.P House, Azad Road, Extension Gundavali, Andheri (East), Mumbai - 400 069. The registered office of our Company was shifted to Unit No. 53, 1st Floor, Jagat Satguru Industrial Estate, Vishveshwar Nagar Road, Goregaon (East), Mumbai – 400 063 which is the present registered office w.e.f. February 15, 2008.

Registered Office and Corporate Office

Rishabhdev Technocable Limited
 Unit No. 53, 1st Floor, Jagat Satguru Industrial Estate,
 Vishveshwar Nagar Road, Goregaon (East),
 Mumbai – 400 063
 Tel.: 022 – 2876 9059
 Fax: 022 - 2877 1669
 Website: www.rtcables.com
 E-mail: fpo@rtcables.com
 Company Secretary and Compliance Officer: Mr. Ranabir Sanyal

Corporate Identification Number: CIN No. L31300MH1994PLC083244

Registration Number: 11-83244

Address of Registrar of Companies

Registrar of Companies, Maharashtra
 100, Everest, Marine Drive,
 Mumbai - 400 002

Our Board of Directors

Name, Designation, Occupation and DIN	Age (Years)	Address
Mr. Sunil Golchha Chairman and Managing Director Occupation: Business DIN: 00318899	39	Flat 301, B-Wing, Gokul Heights, Thakur Complex, Kandivli-East, Mumbai – 400 101
Mr. Kamal Chand Golchha Wholetime Director Occupation: Business DIN: 00318953	47	302, B-Wing, Gokul Heights, Thakur Complex, Kandivli-East, Mumbai - 400 101
Mr. Amla Prasad Mishra Independent Director Occupation: Service DIN: 02254272	57	Mulgaon Dongree, Jagwanti Muse Rajbahadur Chawl, Room No. 5 Old Ashram Road, MIDC, Opp. Meltron, Andheri, Mumbai- 400 093
Mr. Ashok Kumar Khanjanchi Independent Director Occupation: Profession DIN: 01532044	45	302-A, Poonam Darshan Apartment Navghar Road, Bhayander (East), Thane - 401 105
Mr. Prakash Santoshchandra Jain Independent Director Occupation: Business DIN:01373465	49	H-71, Gautam Apartment, Gunjan Area, 3 rd Floor, GIDC, Vapi, Valsad, Gujarat – 396 195
Mr. Sunil Vayalambrom Adiyeri Independent Director Occupation: Service DIN: 02264588	50	B-6, Park Bay, CST Road, Vidyanagari, Mumbai - 400 098

For further details of our Directors, please see the section titled “Our Management” beginning on page no. 75 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Ranabir Sanyal

Rishabhdev Technocable Limited
Unit No.53, 1st Floor, Jagat Satguru Industrial Estate,
Vishveshwar Nagar Road, Goregaon (East),
Mumbai – 400 063
Tel.: 022-2876 9059
Fax: 022-2877 1669
E-mail: fpo@rtclcables.com

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

Book Running Lead Managers

IDBI Capital Market Services Limited

5th Floor, Mafatlal Centre
Nariman Point, Mumbai - 400 021
Tel: +91-22-6637 1252/56
Fax: +91-22-2283 8782
Website: www.idbicapital.com
E-mail: rtcl.ipo@idbicapital.com
Investor Grievance ID: redressal@idbicapital.com
Contact Person: Mr. Piyush Bansal / Ms. Menka Jha
SEBI Registration No: INM000010866

PL Capital Markets Private Limited

3rd Floor, Sadhana House, 570 P.B. Marg,
Worli, Mumbai - 400 018
Tel.: +91-22-6632 2221/22
Fax: +91-22-6632 2229
Website: www.plindia.com
E-mail: rishabhdevipo@plindia.com
Investors Grievance Id: redressal@plindia.com
Contact Person: Mr. Ajesh Dalal / Ms. Sonali Jain
SEBI Registration No: INM000011237

Co- Book Running Lead Manager

Ashika Capital Limited

1008, 10th Floor, Raheja Centre, 214, Nariman Point,
Mumbai – 400 021
Tel: +91- 22 6611 1700
Fax: +91- 22 6611 1710
Email: mbd@ashikagroup.com
Investor Grievance ID: mbd@ashikagroup.com
Website: www.ashikadirect.com
SEBI Registration No.: INM00010536
Contact Person: Mr. Nithin Kanuganti

Syndicate Member(s)

<p>Prabhudas Lilladher Private Limited 3rd Floor, Sadhana House, 570 P. B. Marg, Worli, Mumbai – 400 018 Tel: +91- 22 6632 2222 Fax: +91- 22 6632 2229 Email: rishabhdev@plindia.com Website: www.plindia.com Contact Person: Mr. Manish Bhatt</p>	<p>Ashika Stock Broking Limited 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai – 400 021 Tel: +91- 22 6611 1706 Fax: +91- 22 6611 1710 Email: ipo@ashikagroup.com Website: www.ashikadirect.com Contact Person: Ms. Sweta Jain</p>
<p>Guinness Securities Limited Shop no.5, Rizvi Nagar, S.V. Road, Milan Subway, Santacruz (W) Mumbai - 400 054 Tel: +91- 22 32096452 Fax: +91- 22 26120035 Email: info@guinnessonline.net Website: www.16anna.com Contact Person: Mr. Soumitro Chakraborty</p>	<p>Mangal Keshav Securities Limited 501, Heritage Plaza, Opp. Indian Oil Nagar, Andheri (W), Mumbai – 400 053 Tel: +91- 22 30687999 Fax: +91- 22 66790535 Email: ipo@mangalkeshav.com Website: www.mangalkeshav.com Contact Person: Ajay Shah</p>

Legal Advisors to the Issue

M/s. Kanga and Company

Advocates & Solicitors
Readymoney Mansion, 43, Veer Nariman Road,
Mumbai – 400 001
Tel: +91-22-6633 2288/6623 0000
Fax: +91-22-6633 9656/6633 9657
E-mail: dhaval.vussonji@kangacompany.com
Contact Person: Mr. Dhaval Vussonji

Registrar to the Issue

Mondkar Computers Private Limited

25, Shakil Niwas, Opposite Satya Sai Baba Temple,
Mahakali Caves Road, Andheri (East),
Mumbai - 400 093
Tel: +91-22-2820 7203 - 05, 2825 7641
Fax: +91-22-2820 7207
Website: www.mondkarcomputers.com
E-Mail: info@mondkarcomputers.com
Investor Grievance ID: rtel_ipo@mondkarcomputers.com
Contact person: Mr. Ravindra Utekar
SEBI Registration No: INR000000114

Bankers to the Issue and Escrow Collection Banks

ICICI Bank Limited Capital Markets Division, 30, Mumbai Samachar Marg, Fort, Mumbai – 400 001 Tel: +91- 22- 3043 7017 Fax: +91- 22- 3043 7275 Email: venkataraghavan.t@icicibank.com Website: www.icicibank.com Contact Person: Venkataraghavan T A	HDFC Bank Limited HDFC Bank House, Senapati Bapat Marg, Lower Parel (West) Mumbai – 400 013 Tel: +91- 22- 6657 3746 Fax: +91- 22- 2270 0024 Email: deepak.rane@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Deepak Rane
Axis Bank Limited Sai Heritage, Tilak Road, Near Balaji Temple, Ghatkoper (E), Mumbai – 400 077 Tel: +91 22 2514 3526 Fax: +91 22 2514 1600 Email: anil.shinde@axisbank.com Website: www.axisbank.com Contact Person: Mr. Anil Shinde	IDBI Bank Limited Cash Management Services, 224-A Wing, Mittal Court, Nariman Point, Mumbai – 400 021 Tel: +91 22 6658 8266 Fax: +91 22 6658 8130 Email: nitin.rokhade@idbi.co.in Website: www.idbibank.com Contact Person: Mr. Nitin Rokhade

Brokers to the Issue

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

Auditors

M/s. Bharat J. Rughani & Co

4, Shree Dutt Apartment, Below Dr. Savla Hospital,
Kisan Road, Malad (West),
Mumbai - 400 064
Tel: +91- 22- 2881 8687
Fax: +91- 22-2817 1885
E-mail: rughanibharat@yahoo.co.in
Contact person: Mr. Bharat J. Rughani

Monitoring Agency

As per clause 8.17.1 of the SEBI DIP Guidelines, monitoring agency is required to be appointed in case the public issue size exceeds Rs. 50,000 lacs. Since our proposed Issue size will not exceed Rs. 50,000 lacs, we do not propose to appoint a monitoring agency.

Appraising Entity

Our project has not been appraised by any entity or agency.

Bankers to our Company

IDBI Bank Limited

3 and 4, Vijay Apartment, Ceaser Road, Amboli,
Andheri (West),
Mumbai - 400 056
Tel: +91-22 - 2677 2084
Fax: +91- 22 - 2677 2084
Email: pr.revankar@idbi.co.in
Contact Person: Mr. P.R.Revankar

Self Certified Syndicate Banks

As on date following banks are registered with SEBI for collection of ASBA forms -

1. Corporation Bank Limited
2. ICICI Bank Limited
3. HDFC Bank Limited
4. State Bank of India
5. Union Bank of India
6. IDBI Bank Limited
7. AXIS Bank Limited
8. Kotak Mahindra Bank
9. State Bank of Bikaner & Jaipur
10. Bank of Baroda
11. Punjab National Bank
12. YES Bank
13. Citi Bank
14. Bank of India
15. State Bank of Hyderabad
16. HSBC Limited
17. Vijay Bank
18. State Bank of Travancore
19. Bank of Maharashtra

Further to the above mentioned list of banks, all those banks registered with SEBI time to time shall act as SCSBs for this Issue. Investors are requested to refer the SEBI website for updated list of SCSBs.

Statement of Inter-se Allocation of Responsibilities for the Issue

The responsibilities and co-ordination for various activities in this Issue are as under:

Activities	Responsibility	Co-ordinator
Capital structuring with relative components and formalities.	IDBI CAPITAL/ PLCM	IDBI CAPITAL
Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI, including finalization	IDBI CAPITAL/PLCM	IDBI CAPITAL

Activities	Responsibility	Co-ordinator
of Prospectus and RoC filing.		
Drafting and approval of all statutory advertisements.	IDBI CAPITAL/PLCM	IDBI CAPITAL
Issue Marketing <ul style="list-style-type: none"> Preparation and finalization of the road-show presentation, Preparation of FAQs for the road-show team, and Approval of all non-statutory advertisement including corporate advertisements 	PLCM/ ACL	ACL
Appointment of other intermediaries: Printers and Advertisement Agency and Registrar	IDBI CAPITAL/PLCM	IDBI CAPITAL
Retail / HNI marketing strategy which will cover, among other things <ul style="list-style-type: none"> Finalizing centers for holding conferences for brokers, etc Formulating media, marketing and, Public Relations strategy; Follow-up on distribution of publicity and Issuer material including Bid cum application forms, Red Herring Prospectus and deciding on the quantum of the Issue material; Finalizing collection centers. 	PLCM/ACL	ACL
Institutional marketing of the Issue, which will cover, among other things <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings; Finalizing road show schedule and investor meeting schedules. 	PLCM/ACL	ACL
Co-ordination with stock exchanges for book building software, bidding terminals and mock trading.	PLCM/ACL	ACL
Managing the book and finalization of Pricing in consultation with our Company.	PLCM/ACL	ACL
The Post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates and dematerialized delivery of shares with the various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue and the bank handling refund business. The Co-BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	PLCM/ACL	ACL

The designated BRLMs or the Co-BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through execution of suitable agreements with our Company.

Credit Rating

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

IPO Grading

The Equity Shares of our Company are listed on PSE and JSE. Therefore, this being a further public issue of Equity Shares, grading is not required.

Trustees

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

Book Building Process

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

The principal parties involved in the Book Building Process are:

- Our Company;

- Book Running Lead Managers;
- Co-Book Running Lead Manager;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE and eligible to act as underwriters. The Syndicate Members are appointed by the BRLMs or the Co-BRLM.
- Registrar to the Issue;
- Escrow Collection Bank(s) and
- Self Certified Syndicate Banks

The SEBI (DIP) Guidelines has permitted an issue of securities to the public through 100% Book Building Process, wherein up to 50% of the Net Issue 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 only, and the remainder of the QIBs portion shall be available for allocation on a 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 shall be available for allotment to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allotment to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

In accordance with SEBI (DIP) Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/ Issue Closing Date. In addition, QIBs are required to pay 10% Margin Amount upon submission of their Bid and allocation to QIBs will be on a proportionate basis. For further details please see the section titled “Basic terms of the Issue” on page no. 144 of this Red Herring Prospectus.

Our Company will comply with the SEBI (DIP) Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed BRLMs and the Co-BRLM to manage the Issue and to procure the subscriptions to the Issue.

The process of book building under the SEBI (DIP) Guidelines is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized 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 dematerialized segment of the Stock Exchanges.

Steps to be taken for bidding:

1. Check eligibility for bidding (please refer to the section titled “Issue Procedure - Who Can Bid” on page no. 150 of this Red Herring Prospectus);
2. Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form/ASBA Form, as applicable;
3. Ensure that Bidder discloses the Permanent Account Number in the Bid cum Application Form or the ASBA Form, irrespective of the amount for which application / bid is made;
4. Ensure that the Bid-cum-Application Form/ASBA Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form /ASBA Form, as applicable.

Illustration of book building and price discovery process

(Investors should note that the following is solely for the purpose of illustration and is not specific to the Issue)

The bidders can bid at any price within the price band. For instance, assume a price band of Rs. 60/- to Rs. 72/- per equity share, issue size of 5,400 equity shares and receipt of five bids from the bidders. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com) during the bidding period. The illustrative book as set forth below shows the demand for the equity shares of our Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%

Rishabhdev Technocable Limited

7,500	60	22,500	416.67%
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The price discovery is a function of demand at various bid prices. The highest price at which our Company is able to issue the desired quantity of equity shares is the price at which the book cuts off, i.e., Rs. 66/- in the above example. Our Company, in consultation with the BRLMs and the Co-BRLM will finalize the issue price at or below such cut off price, i.e., at or below Rs. 66/-. All valid bids at or above this Issue Price and cut-off bids from Retail Bidder(s) will be considered for allocation in the respective categories.

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	JUNE 4, 2009
BID/ISSUE CLOSSES ON	JUNE 9, 2009

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form and will be uploaded till such time as permitted by the BSE/NSE. Bidding will not take place on Saturdays, Sundays and Public Holidays.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bid one day prior to the Bid/Issue Closing Date and in any case not later than 1.p.m (IST) on the Bid/Issue Closing Date. Bidders are cautioned that a larger number of bids are received on the Bid/Issue closing date. In the past some of public issue, some Bids have not been upload due to lack of sufficient time to upload; such Bids that can not be upload will not be considered for allocation under the Issue. Bids will be accepted only on business days and during the business/working hours specified herein

Our Company has decided the Price Band from Rs. 29/- to Rs. 33/- per Equity Share of Face Value Rs. 10/- each in consultation with the BRLMs and the Co-BRLM.

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, i.e., the floor price of the revised price band can move up or down to the extent of 20% of the floor of the price band.

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

Withdrawal of the Issue

Our Company, in consultation with the BRLMs and the Co-BRLM, reserves the right not to proceed with the Issue at any time including after the Issue Closing Date, until final Allotment of the Equity Shares in the Issue, without assigning any reason therefor.

In the event of withdrawal of the Issue anytime after Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company became liable to repay it i.e. from the date of withdrawal, 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.

Underwriting Agreement

Our Company has entered into a firm Underwriting Agreement on May 11, 2009 with the BRLM's, the Co BRLM and Syndicate Members in respect of 68,54,500 Equity Shares being the shares proposed to be issued through this FPO to the Public ("Net Issue to the Public"). Details of the Underwriters and the number of Equity Shares underwritten by them are as under:

Name and Address of the Underwriters	Number of Equity Shares Underwritten	Amount Underwritten (Rupees in lacs)
IDBI Capital Market Services Limited 5th Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021	86,210 *	[●] *

Rishabhdev Technocable Limited

(in the capacity of a Book Running Lead Manager) Tel: +91-22-6637 1252/56 Fax: +91-22-2283 8782 Website: www.idbicapital.com E-mail: rtcl.ipo@idbicapital.com Contact Person: Mr. Piyush Bansal / Ms. Menka Jha		
PL Capital Markets Private Limited 3rd Floor, Sadhana House, 570 P.B. Marg, Worli, Mumbai 400 018 (in the capacity of a Book Running Lead Manager) Tel.: +91-22-6632 2221/22 Fax: +91-22-6632 2229 Website: www.plindia.com E-mail: rishabhdevipo@plindia.com Contact Person: Mr. Ajesh Dalal / Ms. Sonali Jain	1,17,560	[•]
Ashika Capital Limited 1008, Raheja Centre, 214, Nariman Point, Mumbai – 400 021 (in the capacity of a Co-BRLM) Tel: +91- 22 6611 1700 Fax: +91- 22 6611 1710 Email: mbd@ashikagroup.com Website: www.ashikadirect.com Contact Person: Mr. Nithin Kanuganti	1,07,730	[•]
Prabhudas Lilladher Private Limited 3rd Floor, Sadhana House, 570 P.B. Marg, Worli, Mumbai 400 018 (in the capacity of a Syndicate Member) Tel: +91- 22 6632 2222 Fax: +91- 22 6632 2229 Email: rishabhdev@plindia.com Website: www.plindia.com Contact Person: Mr. Manish Bhatt	20,25,000	[•]
Ashika Stock Broking Limited 1008, Raheja Centre, 214, Nariman Point, Mumbai – 400 021 (in the capacity of a Syndicate Member) Tel: +91- 22 6611 1706 Fax: +91- 22 6611 1710 Email: ipo@ashikagroup.com Website: www.ashikadirect.com Contact Person: Ms. Sweta Jain	20,00,000	[•]
Mangal Keshav Securities Limited 501, Heritage Plaza, Opp. Indian Oil Nagar, Andheri (W), Mumbai – 400 053 (in the capacity of a Syndicate Member) Tel: +91- 22 30687999 Fax: +91- 22 66790535 Email: ipo@mangalkeshav.com Website: www.mangalkeshav.com Contact Person: Ajay Shah	16,00,000	[•]
Guinness Securities Limited Guinness House, 18, Deshapriya Park Road, Kolkata 700 026 (in the capacity of a Syndicate Member) Tel: +91- 22 32096452 Fax: +91- 22 26120035 Email: info@guinessonline.net Website: www.l6anna.com Contact Person: Mr. Soumitro Chakraborty	9,18,000	[•]
TOTAL	68,54,500	[•]

* In compliance with the requirements of Clauses 5.5.3 and 8.11.2 of the SEBI (DIP) Guidelines, IDBI Capital has underwritten at least such number of Equity Shares as will enable it to meet the requirement of undertaking an underwriting obligation, being a sum of Rs. 25 lacs.

The above-mentioned number of shares underwritten have been agreed and finalized between our Company and the Underwriters pursuant to the Underwriting Agreement dated May 11, 2009.

In the opinion of our Board of Directors, the BRLMs and the Co-BRLM (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with stock exchange(s). The above Underwriting Agreement dated May 11, 2009 has been accepted by the Board of Directors.

The principle terms of the Underwriting Agreement dated May 11, 2009 are given below:

DEFINITIONS:

“Devolved Shares” shall mean the Minimum Subscription minus the Valid Bids received as on the Bid Closing Date.

“Devolvement” shall mean the subscription, or as the case may be, procurement of subscription to the extent of the Devolved Shares.

“Direct Subscription” shall mean such number of shares for Valid Bid(s) is / are received in Bid cum Application Form(s) which do not bear the stamp of any Syndicate Member.

“Minimum Subscription” shall mean the aggregate of 90% of the Net Issue to Public.

“Underwriters Devolved Shares” shall mean the number of shares for which the underwriter shall procure subscription and/or make the applications to purchase such number of Equity Shares as is the difference between the number of shares/ amount specified in relation to such underwriter in Section 5.1 of this Agreement as reduced by:

- (a) 10% of the number of shares specified in the said Section 5.1 (in order to give effect to the necessity of receiving Valid Bids only for the Minimum Subscription) and
- (b) Valid Bids procured by such Underwriter (including by its respective sub-syndicate members) being such Bids in respect of which the whole of the amount payable thereunder has been received and
- (c) Valid Bids received through Direct Subscription, which will be allocated among the Underwriters in the ratio of their underwriting commitment of such Underwriter stated in Section 5.1 of this Agreement.

“Underwriting Liability” shall mean an amount equal to the Underwriters Devolved Shares multiplied by the minimum price (floor price) in the Price Band.

“Valid Bids” shall mean such bids in respect of which the whole of the amount due and payable thereunder has been received and which are not rectified for any reason technical or otherwise and in respect of which all the shares bid for may be allotted if the issue is not oversubscribed.

Underwriting:

The Company hereby confirms that it shall allocate all of the Equity Shares aggregating to Net Issue to Public to Bidders procured by the Underwriters. Out of the total number of equity shares forming “Net Issue to Public”, the underwriters undertake that they shall respectively underwrite (as and by way of firm underwriting) and subscribe to the equity shares to the extent specified hereinafter:-

1. IDBI Capital shall underwrite to the extent of its underwriting obligation that is 86,210 Equity Shares aggregating to Rs. [●] lacs;
2. PLCM shall underwrite to the extent of its underwriting obligation that is 1,17,560 Equity Shares aggregating to Rs. [●] lacs
3. ACL shall underwrite to the extent of its underwriting obligation that is 1,07,730 Equity Shares aggregating to Rs. [●] lacs
4. PLPL shall underwrite to the extent of its underwriting obligation that is 20,25,000 Equity Shares aggregating to Rs. [●] lacs
5. ASBL shall underwrite to the extent of its underwriting obligation that is 20,00,000 Equity Shares aggregating to Rs. [●] lacs

6. MKSL shall underwrite to the extent of its underwriting obligation that is 16,00,000 Equity Shares aggregating to Rs. [●] lacs
7. GSL shall underwrite to the extent of its underwriting obligation that is 9,18,000 Equity Shares aggregating to Rs. [●] lacs

Each of the Underwriters hereby confirms to the Company and the other Underwriters that, to the extent of the Bids procured by it in its capacity as a member of the Syndicate (including Bids procured by its respective sub-syndicate members) in the Issue, each such Underwriter shall only be responsible for ensuring completion of the subscription in respect of such Bids, including ensuring full payment of the Issue Price in respect of the Issue Shares for which such Bids are made, in the manner set forth in this Section 5.

In the event that the Valid Bids received on the Bid Closing Date are for an amount of less than the Minimum Subscription, the Registrar in consultation with the BRLM's shall compute the Underwriting Liability payable by each Underwriter and the Registrar shall send a notice to the concerned Underwriter(s) seeking payment of the Underwriting Liability.

In the event one or more Bidders procured by any of the Underwriters (or their respective sub-syndicate members) defaults in the performance of its obligations in respect of the Issue, including but not limited to:

- the default in full and timely payment of the Issue Price in respect of the Shares for which the Bidder has placed a Bid and received allocation in respect of such Bid; or
- the withdrawal of a Bid, in respect of which an allocation of Shares has been made, by the Bidder prior to allotment of the Shares subscribed by such Bidder;

The Underwriter, as applicable, shall be required to pay or cause the payment of the Issue Price in respect of such Shares immediately upon receipt of the notice referred to above.

A copy of the Underwriting Agreement is available for inspection as a Material Contract.

CAPITAL STRUCTURE

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

(Rs., except share data)

	Aggregate value at Face Value	Aggregate value at Issue Price
A. Authorized equity share capital		
1,50,00,000 Equity Shares of Face Value of Rs. 10/- each	15,00,00,000/-	
B. Issued, subscribed and paid-up equity share capital before the Issue		
56,89,100 Equity Shares of Rs. 10/- each fully paid-up before the Issue	5,68,91,000/-	
C. Present issue in terms of this Red Herring Prospectus		
90,00,000 Equity Shares of Rs. 10/- each	9,00,00,000/-	[●]
Out of which:		
(i) Promoters' Contribution		
21,45,500 Equity Shares of Rs. 10/- each	2,14,55,000/-	[●]
(ii) Net Issue to the Public		
68,54,500 Equity Shares of Rs. 10/- each	6,85,45,000/-	[●]
D. Equity share capital after the Issue		
1,46,89,100 Equity Shares of face value of Rs. 10/- each	14,68,91,000/-	[●]
E. Securities Premium Account		
Before the Issue		Nil
After the Issue		[●]

The present Issue has been authorized by the Board of Directors at the meeting held on May 29, 2008 and by the shareholders of our Company at the Extra ordinary General Meeting held on June 23, 2008.

Details of increase in the Authorized Share Capital

Date of change	Authorized capital pursuant to change
Incorporation	1,00,000 Equity Shares of Rs. 10/- each aggregating to Rs.10 lacs
March 1, 1995	8,00,000 Equity Shares of Rs. 10/- each aggregating to Rs.80 lacs
April 17, 1997	61,00,000 Equity Shares of Rs. 10/- each aggregating to Rs.610 lacs
June 23, 2008	1,50,00,000 Equity Shares of Rs. 10/- each aggregating to Rs.1500 lacs

NOTES TO CAPITAL STRUCTURE

1. Equity Share Capital History of our Company

The following is the history of the paid-up equity share capital of our Company:

Date of allotment	No. of equity shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of equity shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
November 24, 1994	80	10	10	Cash	Initial Subscription to the Memorandum of Association	80	800	Nil
May 21, 1995	2,82,100	10	10	Cash	Further Allotment	2,82,180	28,21,800	Nil
March 10, 1996	11,300	10	10	Cash	Further Allotment	2,93,480	29,34,800	Nil

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March 30, 1996	3,25,000	10	10	Cash	Further Allotment	6,18,480	61,84,800	Nil
June 21, 1997	18,10,720	10	10	Cash	Firm Allotment made in Public Issue	24,29,200	2,42,92,000	Nil
August 1, 1997	32,59,900	10	10	Cash	Further Allotment through Public Issue	56,89,100	3,24,41,750*	Nil

*Initially these shares were allotted on August 1, 1997 as partly paid up shares @ Rs. 2.50 per share in the IPO and subsequently became fully paid up on the receipt of call money of balance Rs. 7.50 per share in the Financial Year 2005-06, 2006-07 and 2007-2008; details whereof are provided as under -

Particulars	Year		
	2005-06	2006-07	2007-08
Number of Equity Shares	1,23,900	6,42,000	24,94,000
Call Amount received per share (Rs.)	7.50	7.50	7.50
Total Call Amount received (Rs. In lacs)	9.29	48.15	187.05

As on date the entire share capital of the company is fully paid up.

2. Shares issued for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash.

3. Capital built up of the Promoters is detailed below:

Name of the Promoter	Date of Allotment/Acquisition	Date when made fully Paid-up	Consideration (Cash, bonus, kind, etc.)	No. of Equity Shares	Face Value (Rs.)	Consideration (Rs.)	% of Post-Issue paid-up capital
Mr. Sunil Golchha	24.11.1994	24.11.1994	Subscriber to the MOA	10	10	100	
	21.05.1995	21.05.1995	Cash (Allotment)	93500	10	935000	
	10.3.1996	10.03.1996	Cash (Allotment)	10500	10	105000	
	30.03.1996	30.03.1996	Cash (Allotment)	125000	10	1250000	
	31.03.2006	NA	Cash (Acquisition)#	81580	10	20395	
	30.06.2006	NA	Cash (Acquisition)#	120000	10	31250	
	7.8.2007	NA	Cash (Acquisition)#	232200	10	116100	
	16.8.2007	NA	Cash (Acquisition)#	48000	10	41100	
	Date of Allotment under the Issue	Date of Allotment under the Issue	Cash	[•]	10	Issue Price	
Total				[•]			[•]
Mr. Kamal Chand Golchha	24.11.94	24.11.94	Subscriber to the MOA	10	10	100	
	21.06.97	21.6.97	Cash (Allotment)	42000	10	420000	
	31.03.06	NA	Cash (Acquisition)#	95000	10	23750	
	30.06.06	NA	Cash (Acquisition)#	125000	10	31250	
	Date of Allotment under the Issue	Date of Allotment under the Issue	Cash	[•]	10	Issue Price	
Total				[•]			[•]
Mr. Bhanwar Lal	24.11.94	24.11.94	Subscriber to the MOA	10	10	100	
	30.03.96	30.03.96	Cash (Allotment)	40000	10	400000	

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Name of the Promoter	Date of Allotment/ Acquisition	Date when made fully Paid-up	Consideration (Cash, bonus, kind, etc.)	No. of Equity Shares	Face Value (Rs.)	Consideration (Rs.)	% of Post-Issue paid-up capital
Golchha	Date of Allotment under the Issue	Date of Allotment under the Issue	Cash	[•]	10	Issue Price	
Total				[•]			[•]
Grand Total				[•]			[•]

The Equity Shares of our Company are listed on the PSE and JSE since 1997 but are not traded. Some of the shareholders approached our Promoters requesting them to buy their Equity Shares. The Promoters, therefore, made off market purchases for a lump sum consideration from some of these shareholders in last three years. Our Promoters acquired these Equity Shares from shareholders (both Promoters' group and Public) at a price lower than the Face Value. These below mentioned acquisition have not triggered SEBI Takeover Regulations. The details of the acquisition of shares are given as under -

Date	Transferred from		Transferred to		Shares	Consideration	Physical / Demat	Whether partly paid-up or Fully paid-up
	Name	Category	Name	Category				
2005-06								
31/03/2006	Manoo Sipani	Promoter Group	Kamal Golchha	Promoter	25000	6250	Physical	Full paid-up
31/03/2006	Nath Mal Singhi	Promoter Group	Kamal Golchha	Promoter	15000	3750	Physical	Full paid-up
31/03/2006	Narendra Kumar Rakecha	Promoter Group	Kamal Golchha	Promoter	25000	6250	Physical	Full paid-up
31/03/2006	Mahindra Kumar Baradia	Promoter Group	Kamal Golchha	Promoter	30000	7500	Physical	Full paid-up
	Total				95000	23750		
31/03/2006	Narendra Singh Baid	Promoter Group	Sunil Golchha	Promoter	26580	6645	Physical	Full paid-up
31/03/2006	Mahindra Kumar Rakecha	Promoter Group	Sunil Golchha	Promoter	25000	6250	Physical	Full paid-up
31/03/2006	Mal Chand Navlakha	Promoter Group	Sunil Golchha	Promoter	30000	7500	Physical	Full paid-up
	Total				81580	20395		
2006-07								
30/06/2006	Prakash Baid	Promoter Group	Kamal Golchha	Promoter	25000	6250	Physical	Full paid-up
30/06/2006	Rajendra Kumar Golcha	Promoter Group	Kamal Golchha	Promoter	25000	6250	Physical	Full paid-up
30/06/2006	Pukhraj Baradia	Promoter Group	Kamal Golchha	Promoter	25000	6250	Physical	Full paid-up
30/06/2006	Phusraj Buguri	Promoter Group	Kamal Golchha	Promoter	25000	6250	Physical	Full paid-up
30/06/2006	Rajendra K Puglia	Promoter Group	Kamal Golchha	Promoter	25000	6250	Physical	Full paid-up
	Total				125000	31250		
30/06/2006	Mangilal Golcha	Promoter Group	Sunil Golchha	Promoter	25000	6250	Physical	Full paid-up
30/06/2006	Ratan Lal Baradia	Promoter Group	Sunil Golchha	Promoter	25000	6250	Physical	Full paid-up
30/06/2006	Sampat Lal Surana	Promoter Group	Sunil Golchha	Promoter	25000	6250	Physical	Full paid-up
30/06/2006	Santosh Singhi	Promoter Group	Sunil Golchha	Promoter	45000	12500	Physical	Full paid-up

06								
Total					120000	31250		
2007-08								
07/08/2007	Dalchan Rakesha	Promoter Group	Sunil Golchha	Promoter	10000	5000	Physical	Full paid-up
07/08/2007	Mahesh O Didwania	Public	Sunil Golchha	Promoter	27000	13500	Physical	Full paid-up
07/08/2007	Mahesh O Didwania	Public	Sunil Golchha	Promoter	37600	18800	Physical	Full paid-up
07/08/2007	Rajsai Sudha	Public	Sunil Golchha	Promoter	59100	29550	Physical	Full paid-up
07/08/2007	Anita Sai Sudha	Public	Sunil Golchha	Promoter	98500	49250	Physical	Full paid-up
16/08/2007	Usha Pawar	Public	Sunil Golchha	Promoter	23800	24000	Physical	Full paid-up
16/08/2007	Kaushal Didwania	Public	Sunil Golchha	Promoter	24200	17100	Physical	Full paid-up
Total					280200	157200		

4. Lock-in

Pursuant to the SEBI (DIP) Guidelines, an aggregate of 20% of the post-issue Equity Share capital of our Company shall be locked-in by our Promoters 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 Promoters' Contribution under Clause 4.6 of the SEBI (DIP) Guidelines. The details of the Promoters' Equity Shares locked-in for a period of three years are as follows:

Name of the Promoter	Date of Allotment/ Acquisition	Date when made fully Paid-up	Consideration (Cash, bonus, kind, etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	% of Post-Issue paid-up capital	Lock-in Period (in years)
Mr. Sunil Golchha	24.11.94	24.11.94	Subscriber to the MOA	10	10	10	[●]	[●]
	21.05.95	21.05.95	Cash (Allotment)	93,500	10	10	[●]	[●]
	10.03.96	10.3.96	Cash (Allotment)	10500	10	10	[●]	[●]
	30.03.96	30.03.96	Cash (Allotment)	125000	10	10	[●]	[●]
	31.03.06	NA	Cash (Acquisition)	81580	10	0.25	[●]	[●]
	30.06.06	NA	Cash (Acquisition)	120000	10	0.26	[●]	[●]
	07.08.07	NA	Cash (Acquisition)	232200	10	0.50	[●]	[●]
	16.08.07	NA	Cash (Acquisition)	48000	10	0.85	[●]	[●]
	Date of Allotment under the Issue	Date of Allotment under the Issue	Cash (Promoters' Contribution)	[●]	10	Issue Price	[●]	[●]
Mr. Kamal Chand Golchha	24.11.94	24.11.94	Subscriber to the MOA	10	10	10	[●]	[●]
	21.06.97	21.06.97	Cash (Allotment)	42000	10	10	[●]	[●]
	31.03.06	31.03.06	Cash (Acquisition)	95000	10	0.25	[●]	[●]
	30.06.06	30.06.06	Cash (Acquisition)	125000	10	0.25	[●]	[●]
		Date of Allotment under the Issue	Date of Allotment under the Issue	Cash (Promoters' Contribution)	[●]	10	Issue Price	[●]

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Mr. Bhanwar Lal Golchha	24.11.94	24.11.94	Subscriber to the MOA	10	10	10	[●]	[●]
	30.03.96	30.03.96	Cash (Allotment)	40000	10	10	[●]	[●]
	Date of Allotment under the Issue	Date of Allotment under the Issue	Cash (Promoters' Contribution)	[●]	10	Issue Price	[●]	[●]

5. Pursuant to Clause 4.9.1 of the SEBI (DIP) Guidelines, our Promoters have already brought in the full amount of the Promoter's Contribution computed as 21,45,500 Equity Shares multiplied by the cap price as on the date hereof in the form of share application money. As on July 21, 2008 our Promoters had advanced unsecured loans to the extent of Rs. 721 Lacs to our Company to undertake the expansion program, in respect of which the shares of our Company are being issued through the public issue. Our Promoters vide their letter dated July 23, 2008 requested our Company to adjust the amount of unsecured loans advanced by them towards share application money required to be brought in by them as Promoters' Contribution pursuant to clause 4.3.1 and 4.9.1 of SEBI (DIP) Guidelines. Our Company in its Board of Directors meeting held on July 25, 2008 has approved the same. The balance Promoters' Contribution (if required) after adjusting the said share application money shall be brought in by the Promoters at least one day prior to the Issue Opening Date as required by the Clause 4.9.1 of SEBI (DIP) Guidelines.

The details of unsecured loan extended by the Promoters to our Company are furnished below. The same is supported by a certificate from Company's Auditors - M/s. Bharat Rughani & Co. vide their certificate dated April 27, 2009.

Unsecured Loan advanced by promoters till March 31, 2008

(Rs. in Lacs)

S.No	Name of the Promoter	Amount of Unsecured Loan
1.	Mr. Sunil Golchha	200.00
2.	Mr. Kamal Chand Golchha	175.00
	Total	375.00

Unsecured loans brought in by promoters between April 1, 2008 and July 21, 2008 to fund the ongoing expansion program of the company -

(Rs. in Lacs)

S. No.	Name of the Promoter	Amount of Unsecured Loan	Date of Extension of Unsecured Loan
1.	Mr. Sunil Golchha	25.00	16/06/2008
		28.00	20/06/2008
		101.50	23/06/2008
		20.00	21/07/2008
	Total	174.50	
2.	Mr. Kamal Chand Golchha	25.00	16/06/2008
		24.00	20/06/2008
		102.50	23/06/2008
		20.00	21/07/2008
	Total	171.50	

The total Unsecured Loans brought in by them to fund the expansion program till July 21, 2008 was as follows –

(Rs. in Lacs)

S.No	Name of the Promoter	Amount of Unsecured Loan*
1.	Mr. Sunil Golchha	374.50
2.	Mr. Kamal Chand Golchha	346.50
	Total	721.00

*The unsecured loan brought in by them was converted into share application money vide board resolution dated July 25, 2008.

Futher, a sum of Rs. 14.40 lacs was brought in by them as unsecured loan as follows -

(Rs. in Lacs)

S.No	Name of the Promoter	Amount of Unsecured Loan	Date of extinction of Unsecured Loan
1.	Mr. Sunil Golchha	11.25	22/12/2008
2.	Mr. Kamal Chand Golchha	3.15	24/12/2008
	Total	14.40	

For details regarding utilization of the unsecured loan brought in by our Promoters please refer to page no. 32 of the section titled “Objects of the Issue”

6. Our Promoters have agreed to subscribe to shares pursuant to the Issue in order to fulfill the requirements for minimum Promoter Contribution specified in Clause 4.3.1 of the SEBI Guidelines. There will not be any change in the board of directors or overall control of our Company as a result of the allotment of the aforesaid shares representing the Promoters’ Contribution. Save as specified elsewhere in this Red Herring Prospectus there will not be any change in the shareholding or voting rights as a result of allotment of shares representing the Promoters’ Contribution to our Promoters.
7. As on date of filing RHP, the details of Company’s Equity Shares in demat form and physical form are as under -

S. No.	Name of shareholder	Total no. of Equity Shares	In Demat Form	In Physical Form
A.	Promoters			
1.	Mr. Sunil Golchha	7,10,790	7,10,780	10
2.	Mr. Kamal Chand Golchha	2,62,010	2,62,000	10
3.	Mr. Bhanwerlal Golchha	40,010	40,000	10
	Total (A)	10,12,810	10,12,780	30
B.	Others			
	Total (B)	46,76,290	25,56,400	21,19,890
	Total (A + B)	56,89,100	35,69,180	21,19,920

8. Specific written consent has been obtained from our Promoters for inclusion of such number of their respective existing shares to ensure minimum Promoter’s contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up Equity Share Capital.
9. The Equity Shares forming part of Promoter’s Contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary.
10. For the purposes of calculating Promoters’ Contribution, the same has been brought in the specified minimum lot of Rs.25, 000 per application from each individual Promoter.
11. **Pre Issue and Post Issue Shareholding Pattern of Promoters Group**

Particulars	Pre-Issue		Post-Issue	
	No. of Shares	% Holding	No. of Shares	% Holding
Promoter				
Sunil Golchha	7,10,790	12.49	[●]	[●]
Kamal Chand Golchha	2,62,010	4.61	[●]	[●]
Bhanwar Lal Golchha	40010	0.70	[●]	[●]
(A)	10,12,810	17.80	31,58,310	21.50
Promoter Group				
<i>Immediate Relatives of the Promoters</i>				
Anil Anchalia	28000	0.49	28000	0.19
Aruna Devi Sathia	120200	2.11	120200	0.82
Dhiraj Kumar Baradia	25000	0.44	25000	0.17
Dhiraj Kumar Singhi	30000	0.53	30000	0.20
Hansraj Baradia	25000	0.44	25000	0.17
Jyoti Kamal Golchha	20000	0.35	20000	0.14
Kanta K Golchha	20000	0.35	20000	0.14
Kiran Devi Golchha	40000	0.70	40000	0.27

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Mahindra Sathia	180720	3.17	180720	1.23
Pushpa Devi Golchha	90000	1.58	90000	0.61
Revat Mal Baradia	25000	0.44	25000	0.17
Santosh Devi Anchalia	15000	0.26	15000	0.10
Shantidevi Sunil Golchha	65000	1.14	65000	0.45
(B)	6,83,920	12.00	6,83,920	4.66
<i>All other persons whose shareholding is aggregated for the purpose of disclosing in this RHP under the heading "Shareholding of the Promoter Group"</i>				
Alfred Arambhan	3000	0.05	3000	0.02
Alka R Chandak	2000	0.04	2000	0.01
Ashok Puglia	25000	0.44	25000	0.17
Devdit Fernandesh	800	0.01	800	0.01
Dhanraj Golchha	25000	0.44	25000	0.17
Dinesh Doshi	10	0.00	10	0.00
Firangi Singh	200	0.00	200	0.00
Gautam Singh Baid	25000	0.44	25000	0.17
Gopal Dhalumal	15000	0.26	15000	0.10
Hanuman Singhi	25000	0.44	25000	0.17
Hirachand Golchha	25000	0.44	25000	0.17
Jignesh Satra	1000	0.02	1000	0.01
Jin Raj Golchha	25000	0.44	25000	0.17
Kailash Chand Gupta	500	0.01	500	0.00
Kirti Nidhi Dhandh	25000	0.44	25000	0.17
M.C. Dalal	10	0.00	10	0.00
Meena C. Patel	2000	0.04	2000	0.01
Mohan Lal Singhi	10000	0.18	10000	0.07
Nalini Arambhan	3000	0.05	3000	0.02
Navin Baradia	183420	3.22	183420	1.25
Nemchand Banthia	10000	0.18	10000	0.07
Puneet Tiwari	2000	0.04	2000	0.01
Ramakant Singh	10	0.00	10	0.00
Rakesh Sharma	5000	0.09	5000	0.03
Ratanlal Puglia	30000	0.53	30000	0.20
Ratan Lal Navlalha	30000	0.53	30000	0.20
Sampat Lal Daga	5000	0.09	5000	0.03
Sarita Baid	25000	0.44	25000	0.17
Seloo Baradia	25000	0.44	25000	0.17
Shanti Lal Puglia	30000	0.53	30000	0.20
Shelendra Baradia	160000	2.81	160000	1.09
Surendra Kumar Banthia	25000	0.44	25000	0.17
Surendra S Baid	25000	0.44	25000	0.17
Vijay K Gupta	500	0.01	500	0.00
Vijay Sharma	10	0.00	10	0.00
Vijay Singh Baid	25000	0.44	25000	0.17
Vakharia Consultancy	1000	0.02	1000	0.01
Pinki K Jain	25000	0.44	25000	0.17
(C)	8,19,460	14.43	8,19,460	5.58
Total (A+B+C)	25,16,190	44.23	46,61,690	31.74

12. Shareholding pattern before and after the Issue

The table below presents our shareholding pattern as per clause 35 of Listing Agreement before the proposed Issue and as adjusted for the Issue.

Category code	Category Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	Shares pledged or otherwise encumbered
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					As a percentage of(A+B) 1	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	53	2515190	1300680	44.21	44.21	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	1000	0	0.02	0.02	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	54	2516190	1300680	44.23	44.23	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	54	2516190	1300680	44.23	44.23	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00	0	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	9	635700	635700	11.17	11.17	0	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs. 1 lac	169	362610	228800	6.37	6.37	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lac.	35	2174600	2011600	38.22	38.22	0	0.00
(c)	Any Other (specify)							
(c-i)	NRI/OCBs	0	0	0	0.00	0.00	0	0.00
(c-ii)	Clearing Members	0	0	0	0.00	0.00	0	0.00
(c-iii)	Trusts	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(2)	213	3172910	2876100	55.77	55.77	0	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	213	3172910	2876100	55.77	55.77	0	0.00
	TOTAL (A)+(B)	267	5689100	4176780	100	100	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00		0.00
	GRAND TOTAL (A)+(B)+(C)	267	5689100	4176780	100	100	0	0.00

13. The securities, which are subject to lock-in, shall carry the inscription “non-transferable” along with the specified duration and in respect of demat shares, the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the stock exchanges, where the shares are to be listed prior to the listing of the securities.

14. In terms of clause 4.15 of the SEBI Guidelines, locked-in securities held by our Promoters as specified herein above, can 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. Additionally, where the Equity Shares held by the Promoters are locked-in for a period of three years, the same 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 the Offer.
15. In terms of clause 4.16.1 (b) of the SEBI Guidelines, locked-in Equity Shares held by the Promoters may be transferred to and amongst the Promoters/ 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 transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.
16. Equity Shares held by top 10 shareholders

- (a) Our top ten shareholders and the number of Equity Shares held by them as of the date of filing this Red Herring Prospectus with SEBI, is as follows:

S. No.	Name	No. of Equity Shares	Percentage of pre- Issue Shareholding (%)
1	Sunil Bhanwar Lal Golchha	710790	12.49
2	Paras Bhanwar Lal Banthia	282200	4.96
3	Kamal Bhanwar Lal Golchha	262010	4.61
4	Chirag Upendra Vibhani	228900	4.02
5	Deccan Financial Services (P) Ltd.	204700	3.60
6	Navin Baradia	183420	3.22
7	Mahindra Sathia	180720	3.18
8	Mohan Overseas (P) Ltd.	160000	2.81
9	Ramnik R. Mota	150000	2.64
10	Piyush M Shah	125000	2.20

- (b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to filing with SEBI, is as follows:

S. No.	Name	No. of Equity Shares	Percentage of pre- Issue Shareholding (%)
1	Sunil Bhanwar Lal Golchha	710790	12.49
2	Paras Bhanwar Lal Banthia	282200	4.96
3	Kamal Bhanwar Lal Golchha	262010	4.61
4	Chirag Upendra Vibhani	228900	4.02
5	Bharat Rikabchand Tougani	204700	3.60
6	Navin Baradia	183420	3.22
7	Mahindra Sathia	180720	3.18
8	Amratlal Dullabhbhai Patel	161800	2.84
9	Mohan Overseas (P) Ltd.	160000	2.81
10	Ramnik J Mota	150000	2.64

- (b) Our top ten shareholders and the number of equity shares held by them two years prior to date of filing of this Red Herring Prospectus with SEBI were as follows:

S. No.	Name	No. of Equity Shares	Percentage of pre- Issue Shareholding (%)
1	Sunil Bhanwar Lal Golchha	430590	7.57
2	Kamal Bhanwar Lal Golchha	262010	4.61
3	Nemchand J Banthia	108000	1.90

S. No.	Name	No. of Equity Shares	Percentage of pre- Issue Shareholding (%)
4	Anita Sai Sudha	98500	1.73
5	Sai Sudha	98500	1.73
6	Sam Sudha	98500	1.73
7	Rakesh Kumar Chopra	98100	1.72
8	Rakesh Kumar Naulkha	98000	1.72
9	Sushil Maru	98000	1.72
10	Pushpa Devi Golchha	90000	1.58

17. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

Name of the Shareholder	No. of Equity Shares	Pre-Issue percentage shareholding
Mr. Sunil Golchha	7,10,790	12.49
Mr. Kamal Chand Golchha	2,62,010	4.61
Mr. Prakash Santhoschandra Jain	100000	1.76
Mr. Ashok Khanjanchi	10	0.00

18. Our Company, our Directors, our Promoters, the BRLMs and the Co-BRLM to this Issue have not entered into any buy-back and/or standby or similar arrangements for the purchase of Equity Shares of our Company from any person.
19. Our Promoters have not been issued Equity Shares for consideration other than cash.
20. There have been no transfers of Equity Shares by or in favour of the Promoters and the Promoter Group within the last six months.
21. In the 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 QIBs, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the 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 to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
22. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. The number of Equity Shares to be issued to the Promoters and subject to lock- in will be determined after finalization of Issue Price. The number of shares to be issued to the Promoters will be such so as to ensure that the minimum contribution of 20% of the Post Issue paid-up capital is made and that the same is locked in for a period of 3 years.
23. Under-subscription, if any, in the Qualified Institutional Buyers category, Non-Institutional category and Retail Individual category would be met with the spill over from any other categories, at the sole discretion of our Company in consultation with the BRLMs or the Co-BRLM. If the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will be added to the QIB Portion and be allocated proportionately to QIB Bidders.
24. As on date of filing of this Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up.
25. Our Company does not have any outstanding ESOS/ESPS scheme for our employees.

26. As on the date of filing of this Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares save and except the share application money brought in by our Promoters as and by way of Promoters' Contribution.
27. Our Company has not raised any bridge loan against the proceeds of the Issue.
28. Except as disclosed herein, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus to SEBI until the Equity Shares issued/ to be issued through the Prospectus are listed or application money refunded on account of failure of Issue.
29. We presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, we may issue Equity Shares or issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in the interest of our Company.
30. Except as disclosed in this Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash.
31. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
32. Since the entire money of Rs. [●] per share (Rs [●] face value + Rs. [●] premium) is being called on application, all the successful applicants will be issued fully paid up shares only.
33. The Equity Shares issued through this Issue shall be made fully paid up on allotment.
34. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
35. As of date of this Red Herring Prospectus, the total number of holders of Equity Shares is 264.
37. The Equity shares held by the Promoters have not been pledged with third parties.

OBJECTS OF THE ISSUE

The objects of the Issue are:

- Expansion cum modernization of existing manufacturing facilities (Unit I) at Daman.
- Setting up of new facilities (Unit II) at Daman for manufacturing Electrical Control Cables.
- Setting up of new facilities (Unit III) at Silvassa for manufacturing Power cables.
- Margin Money for working capital Requirements
- General Corporate purposes;
- To meet Public Issue expenses;
- To get the equity shares being issued pursuant to the Red Herring Prospectus listed on the BSE, PSE and JSE.

The main objects clause of our Memorandum of Association and objects incidental to the main objects enables our Company to undertake the existing activities and the activities for which the funds are being raised through the present Issue.

The requirement of the funds for the objects are as follows:

(Rs. In Lacs)

Particulars	Total
Expansion cum modernization of existing manufacturing facilities (Unit I)	295.30
Setting up of new manufacturing facilities (Unit II) for Control cables at Daman	582.35
Setting up of new manufacturing facilities (Unit III) for Power cables at Silvassa	2499.11
Margin Money for Working Capital Requirements	366.71
(A)	3743.47
General corporate purposes	(B) [●]
Public Issue Expenses *	(C) [●]
Total (A+B+C)	[●]

* To be updated in the Prospectus.

The requirement of the funds would be met as follows –

(Rs. In Lacs)

Particulars	Amount
Proceeds of the Issue*	[●]
Term Loans	1100.00
Internal Accruals**	[●]
Total	[●]

* To be determined upon completion of book building process.

**To be brought in by our Company to meet the balance fund requirement.

The fund requirement and deployment thereof are based on internal management estimates and vendor's quotations and are not appraised by any bank or financial institution. In case of variation in the actual utilization of funds earmarked for the purpose set forth above, increased fund requirement for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required finance will be met through our internal accruals and debt. Our free reserves as per Audited Financials as on December 31, 2008 stood at Rs. 650.30 lacs.

Our Company hereby confirms that firm arrangement of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through proposed public issue have been made in compliance with Clause 2.8 of the DIP Guidelines 2000. Our Company has received sanction of Rs. 100 lacs from erstwhile The United Western Bank Ltd. (now IDBI Bank) on April 16, 2007. The disbursement of the same was released in the Financial Year 2008. A fresh term loan of Rs. 1,000 lacs has been sanctioned by IDBI Bank vide its sanction letter dated June 20, 2008. For further details, please refer to the section titled "Financial Indebtedness" starting from page no. 126 of this Red Herring Prospectus

In view of highly competitive nature of the cable industry, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates, and external factors, which may not be within the control of our management. This may entail rescheduling and revising the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

Our Sales has grown from being Rs. 1052.85 lacs in FY 2007 to Rs. 3108.94 lacs in FY 2008 thus representing a growth of 195%. It grew from being Rs. 910.61 lacs in FY 2006 to Rs. 1052.85 lacs in FY 2007 representing a growth of 15.62% and from being Rs. 346.21 lacs in FY 2005 to Rs. 910.61 lacs in FY 2006 representing a growth of 163.02%. With increased demand from our customers for our cables, we felt the need for modernizing and expanding our existing manufacturing facilities and also setting up of two new manufacturing facilities for power cables and control cables. With this view we initiated an expansion cum modernization program in April, 2007. Under the expansion and modernization program we would be modernizing our existing unit (Unit I) at Daman and set up two new units i.e. Unit II at Daman for manufacture of Control cable and Unit III at Silvassa for manufacture of power cables.

We have already incurred cost of Rs. 271.45 lacs towards modernization of existing unit. The modernization of the Unit No. I was completed by September, 2008. For setting up our Unit II we have already acquired a plot located near to our existing Unit (Unit I) at Daman. The construction work is in the final stage of completion and the commercial production is expected to commence by June 2009. We have also entered into a MOU for land admeasuring approx. 48,000 square meters at Silvassa on June 27, 2008 for setting up of Unit III. The unit III is expected to ready by November, 2009 and the commercial production is expected to start in December 2009.

The following table shows the location of our existing and new units –

Units	Location
Unit No. I (Expansion of existing Unit)	Daman
Unit No. II (New Unit for Control Cables)	Daman
Unit No. III (New Unit for Power Cables)	Silvassa

The schedule of the expansion cum modernization of existing unit and setting up of new units is expected to be as under –

Units	Commencement	Completion
I	April, 2007	September, 2008
II	January, 2008	June, 2009
III	June, 2008	November, 2009

Details of the objects:

1. Expansion cum modernization of existing manufacturing facilities of Unit I at Daman

In furtherance of our strategy to strengthen our operations, we initiated expansion cum modernization in our existing manufacturing facilities located at Daman in the month of April 2007.

The expansion cum modernization of the existing facilities would increase our capacities in -

- LT (Low Tension) Power Cables
- LT (Low Tension) Control Cables
- Instrumentation, Signal and Data Cables
- Thermocouple Extension Compensating Cables
- Panel Wires / House Hold Wires / Flexible Cables
- Specialty Cables; etc.

The modernization is of the Unit No. I was completed by September 2008.

The cost of expansion cum modernization of this unit is was as under -

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(Rs. in Lacs)

Particulars	Amount
Plant and Machinery	295.30

The following machineries have been installed in Unit I as part of the expansion cum modernization project.

(Rs. in Lacs)				
Machine / Equipments	Supplier	Invoice	Qty	Total Cost
Machine Already Installed -				
Stranding Machine	Shree Krishna Industries	Dated – 6/11/2007	-	15.73
120 MM Extruder	Sant Engineering Works	Dated – 27/04/2007	-	23.92
Twisting Machine	Shivamsankar Engineers	Dated – 12/11/2007	2	28.21
Mid Size Extruder	Oswal Engineers	Dated – 07/07/ 2007	4	61.59
48 Bobbin Armouring Machine	Saraswati Engineering Works	Dated – 15/05/2007	2	36.40
Armouring Machine	Laxmi Engineering	Dated – 24/03/2008	1	2.96
Armouring Machine	Laxmi Engineering	Dated – 05/08/2007	1	5.00
Armouring Machine	Pratik Tech Engineers	Dated – 11/02/2008	1	11.06
PVC Compounding Plant	Sant Engineering Industries	Dated – 20/04/2007	1	11.44
Cable Coating Plant	Sant Engineering Industries	Dated – 20/04/2007	1	8.06
Dies and Tools for extruders and Wire Coating Plant	Sant Engineering Industries	Dated – 24/09/2007	1	6.96
Dies and Tools for extruders and Wire Coating Plant	Sant Engineering Industries	Dated – 24/09/2007	1	6.04
Electrically heated Copper bright Annealing Furnace	OM Chem Engineers	Dated – 14/05/2007	1	2.24
Testing Equipments	Raj Enterprises	Dated – 19/02/2008	1	0.53
Laser Diameter Gauge	Puretronics	Dated - 12/5/2007	1	1.75
Electrical Accessories and Parts	Asit Traders	Dated – 07/07/2007		5.72
Digital Temp. Controller, Controlled Vacuum Oven Range, Vacuum Pump,	Lalith Test Equipments	Dated – 05/05/2007		11.34
Wire Drawing Plant	Shree Krishna Industries(Quotation)	Dated – 11/02/2008		56.35
Total				295.30

Out of the total estimated cost of Rs. 295.30 lacs, approximately Rs. 271.45 lacs has already been incurred and the balance Rs. 23.85 lacs is expected to be incurred in the current financial year.

2. Setting up of new manufacturing facilities (Unit II) at Daman for manufacture of Control Cables.

We are currently manufacturing Control cables used in industrial, electrical and control equipments, process control, signal and transmission of low voltage industrial automation and instrument panel control automation systems. On account of increasing demand in the cable industry and increased orders from our customers for control cables, we are in process of setting up new facilities (Unit II) in Silvassa catering exclusively to manufacture of Control Cables.

The cost of setting up the new facilities is expected to be under -

(Rs. in Lacs)	
Particulars	Amount
Land and Site Development	64.00
Plant and Machinery	490.81
Escalation and Contingency (@ 5% of Site Development and Plant and Machinery expenses)	27.54
Total	582.35

Land and Site Development

Our Company has already acquired land admeasuring approx. 600 Square meters at Daman for setting up the unit. The construction work is in final stage of completion and the commercial production is expected to

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commence by June, 2009. The total cost of land and site development is expected to be Rs. 64 Lacs. The details are as follows:

(Rs. in Lacs)	
Particulars	Total Cost
Land	4.00
(A)	4.00
Site Development*	
Land and Site Development	2.00
Civil Work in Foundation	22.00
Earth Work	2.00
Brick Work	4.00
Cement Concrete Flooring	8.00
Captive Power Plant DG Shed for power supply	4.75
Storage and Dispatch yard shed	2.25
Factory Test Lab and Pantry Room	1.00
Plant Electrical Internal Installation	2.00
Material handling equipment installation	4.00
Electrical, Installation of main plant and machinery	4.00
Electrical cabling and power supply installation	2.50
Computer CCTV, Fire alarm networking and PA System	1.50
(B)	60.00
Total (A+B)	64.00

*(Based on estimates given by Aftab Constructions)

Plant and Machinery

We propose to acquire plant and machinery from leading manufacturers in India. The total cost of plant and machinery is expected to be Rs. 490.81 lacs.

(Rs. in Lacs)				
Machine/ Equipments	Quotation Received From	Ref. No. / Quotation Date	Qty.	Total Cost
Wire Drawing Plant	Nisha Enterprises	16/01/08	1	90.00
Round Wire Rewinding Machine	May fair Machinekraft Pvt. Ltd	29/01/08	5	15.00
PVC Compounding Machine	Sant Engineering Industries	SEW/RTL/1586/Daman/2008/LTCP20/01/2008	1	10.00
Bunching Machine	Nisha Enterprises	29/02/2008	3	21.00
Stranding Machine	K K Engineers and Consultants	16/02/2008	3	21.00
Type Self Traversing take-up unit	Mayfair Machinekraft Pvt. Ltd	05/02/2008	2	10.00
Stranding Machine for electrical cables multi core laying	K K Engineers and Consultants	10/02/2008	3	27.00
Tubler Strander	Sampat Heavy Engineering Limited	SHEL/SKIP/ STRANDER/ RTL / 2007	1	12.00
Armouring Machine	Sampat Heavy Engineering Limited	SHEL/RTL/2007 19/01/2008	4	48.00
On Line uniform center checking Machine	KK Engineers and Consultants	21/02/2008	2	14.00
On Line Spark Testing Machine	KK Engineers and Consultants	21/01/2008	2	4.00
Coiling / Rewinding Machine	Saraswati Engineering Works	29/12/2007	3	21.00
SKIP Strander	Sampat Heavy Engineering Limited	SHEL/SKIP/STRANDER/ RTL/2007 - 29/03/2007	1	21.01
Braiding and Screening Machine	KK Engineers and Consultants	22/02/2008	5	10.00
Printing Machine	KK Engineers and	22/02/2008	2	4.00

Rishabhdev Technocable Limited

Machine/ Equipments	Quotation Received From	Ref. No. / Quotation Date	Qty.	Total Cost
	Consultants			
On line Pre Heater	KK Engineers and Consultants	21/02/2008	2	3.00
Extruder for Inner Sheathing of cables	Sant Engineering Industries	SEW/RTL/1589/Daman/20 08/LTCP14/01/2008	2	24.00
Mid Extruder for Inner Sheathing cables	Nisha Enterprises	NE/RTL/SG/07-08 - 19/02/2008	1	17.00
Large Size Extruder for big size cable sheathing	Sant Engineering Industries	SEW/RTL/1593/Daman/20 08/LTCP -21/02/2008	1	22.00
EOT Cranes	Nisha Enterprises	NE/RTL/SG/07-08- 16/02/2007	3	12.00
Hopper Loading Machine	KK Engineers and Consultants	22/02/2008	3	6.00
Dies and Nipple for extrusion machine	P.Zaveri and Co.	58/QC.LAB/2008/RTL- Plant-2 9/02/2008	20	20.35
Test Set / Installation Set / Conductor resistance test set / special FRLS and XLPE test equipment	Balaji International	3010/08-09 -10/03/2008	22	23.45
DG Power Set 250 KVA	Sheetal Gen and Energy	3010/08-09 10/03/2008	1	25.00
Insulated Wire and finished PVC wires coiling / rewinding machine	Saraswati Engineering Works	29/01/2008	1	10.00
Total				490.81

The construction work for Unit II had begun in January 2008. The construction work is near completion and the commercial production is expected to be commenced by June, 2009.

Out of the total estimated cost of 582.35 lacs, approximately Rs. 469.92 lacs has already been incurred and the balance Rs. 112.43 lacs are expected to be incurred in the current Financial Year.

3. Setting up of new manufacturing facilities (Unit III) for manufacture of Power Cables at Silvassa

In our entire product mix, Power cables constitutes a very important product, the demand for which is expected to rise significantly on account of growth across industries specially in the power sector. Power cables are used in distribution of power, transmission of power and industrial electrification. In view of the increased orders from our customers, we propose to set up a new unit in Daman to cater exclusively for manufacturing Power Cables. This unit will help us in executing bulk orders of power cables.

The cost of setting up the unit is expected to be under -

(Rs. in Lacs)

Particulars	Amount
Land and Site Development	341.03
Plant and Machinery	1993.61
Utilities and miscellaneous Fixed assets	56.00
Escalation and Contingency (@ 5% of Site Development, Plant and Machinery and Utilities and Misc. Fixed Assets)	108.47
Total	2499.11

Land and Site Development

The total cost of land and site development is expected to be Rs. 341.03 lacs. The details are as follows:

(Rs. in Lacs)

Particulars	Total Cost
Land	221.28
(A)	221.28
Site Development*	

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Civil Work in foundation, earth work and brick work	57.90
Cement Concrete flooring	24.60
Electrical Installation and main utility electrical networking	3.25
DG Shed for power supply	4.00
Storage and dispatch yard shed	10.00
Erection and Installation of main plant and machinery	20.00
(B)	119.75
Total (A+B)	341.03

*(Based on estimates given by Aftab Constructions)

We have signed an MOU for the land admeasuring approx. 48,000 square meters at Silvassa on June 27, 2008. The total consideration of the said land has been fixed at Rs. 221.28 lacs, out of which an amount of Rs.71 lacs has already been advanced.

Plant and Machinery

We propose to acquire plant and machinery from leading manufacturers in India. The total cost of plant and machinery is expected to be Rs. 1993.61 lacs.

(Rs. in Lacs)

Machine/ Equipments	Quotation Received From	Ref. No. / Quotation Date	Qty.	Total Cost
Stranding Machine for power cables	May fair Machinekraft Pvt. Ltd.	29/02/2008	5	245.95
Large size extruder outer Sheathing of Power Cables	Saraswati Engineering Works	SE/RTL/1598 21/02/2008	3	75.00
Stranding Machine for electrical cable laying and multi core twisting	Simon Engineering Works	09/02/2008	6	30.00
Drum Twister power cable laying machine	Mayfair Machinekraft Pvt. Ltd.	03/03/2008	4	172.16
Foil Taping Machine	Mayfair Machinekraft Pvt. Ltd.	15/03/2008	3	13.50
Mid Size Extruder for Insulation and Sheathing of Cables	Nisha Enterprises	NE/1587/2008 16/02/2008	3	36.00
24 Bobbin Armouring Machine	Nisha Enterprises	NE/2008/1528A 29/01/2008	6	140.00
Large Size Extruders for outer sheathing of XLPE Power Cables	Saraswati Engineering Works	SE/1612/2008 25/02/2008	2	160.00
Wire Drawing Plant	KK Engineers and Consultants	KK/11050 26/02/2008	1	412.00
DG Set (2000 KVA)	Sheetal Gen and Energy	3010/08-09 10/06/2008	1	450.00
M.S Drums, Gears and Machine Speed control device		Management Estimate	1	125.00
Mixer of Various Size and types for PVC Compound, Owen for heating XLPE and PU Compound and HV Test Set and other production control equipment.	KK Engineers and Consultants	14/06/2008		134.00
Total				1993.61

The Unit III is expected to be ready by November, 2009 and the commercial production is expected to commence from November, 2009 onwards.

Utilities and miscellaneous fixed assets

We propose to set-up the following utilities and fixed assets:

(Rs. in Lacs)

Particulars	Total Cost
Lift	7.00
Crane	5.00
Staff Quarters	12.00
Material Handling equipments (Loading and un loading equipments)	2.00
Electrical Insulation (HT Substation)	12.00

Rishabhdev Technocable Limited

Furniture and Fixture (incl.storage racks)	5.00
Office equipments	6.00
Compressor	1.00
Cooling Tower	1.00
Curing Tank for XLPE Line	2.00
Water Pumps	1.00
Water Pipelines	2.00
Total	56.00

(The above-mentioned utilities and misc. fixed assets are based on management estimates)

Out of the total estimated cost of Rs. 2499.11 lacs approximately Rs. 96 lacs have already been incurred and balance Rs. 2403.11 lacs is expected to be incurred in the current Financial Year.

4. Margin Money for Working Capital Requirements

Out of the total issue proceeds approximately Rs. 366.71 lacs would be used as margin money for long-term working capital requirements.

The details of the same are as under –

Particulars	(Rs. in Lacs)	
	FY 2007-2008 (Actual)	FY 2009-2010 (Estimated)
Current Assets		
Inventories	485.12	1388.42
Sundry Debtors	842.79	2731.85
Loans and Advances	115.45	80.00
(A)	1443.36	4200.27
Less - Current Liabilities and Provision (B)	376.04	1666.10
Working Capital Gap (A-B)	1067.32	2534.16
Increase in Working Capital Gap		1446.84
Margin Requirement on Additional Working Capital Requirement (25%)		366.71

Our Company is expected to operate Unit I, Unit II and Unit III in the FY 2009-10 as compared to existing Unit I currently. Our Company proposes to set up of two additional units for manufacture of control cables and power cables in addition to modernizing the existing unit. Therefore, the projected figures of current assets and current liabilities for the FY 2009-10 are in sharp increase to the current year.

5. General corporate purposes

The Net Proceeds will be first utilized towards implementation of the aforementioned projects and the balance is proposed to be utilized for general corporate purposes including but not limited to brand building exercises and strengthening of our marketing capabilities. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

6. Public Issue Expenses

The Issue expenses estimated by our Company are as under:

(Rs. In Lacs)	
Particulars	Expenses *
Lead management, underwriting and selling commission	[•]
Advertising and marketing expenses	[•]
Printing and stationery	[•]
Others (Registrar's fee, legal fee, listing fee, etc.)	[•]
Total	[•]

* will be updated in the Prospectus

Means of Finance**1. Equity Share Capital**

Our Company proposes to raise Rs. [●] lacs through this Public Issue of Equity Shares, being issued in terms of this Red Herring Prospectus.

2. Term Loans

The project of expansion cum modernization of existing unit and setting up of two new units for control cables and power cables is proposed to be partly financed by way of Term Loans aggregating Rs. 1100 lacs. Our Company received sanction of Rs. 100 Lacs from erstwhile The United Western Bank Ltd (now IDBI Bank) on April 16, 2007. The disbursement of the same was released in the last Financial Year. A fresh term loan of Rs.1000 lacs has been sanctioned by IDBI Bank vide its sanction letter dated June 20, 2008. The validity of the same has been increased upto September 30, 2009 vide the letter of IDBI Bank dated March 23, 2009.

The details of sanction of term loans is as follows –

(Rs. in Lacs)				
Bank	Date of Sanction	Rate of Interest	Ref. No.	Amount
The United Western Bank Limited (now IDBI Bank)	16/04/2007	PLR + 0.75%	2007/1838/67	100.00
IDBI Bank	20/06/2008	PLR + 0.25%	CSC/Mumbai/2008-09/1009	1000.00
Total				1100.00

Major terms of sanction of the term loans are as follows -

1. Rs. 100 lacs from The United Western Bank Limited (now IDBI Bank)

Nature of Primary Security: Hypothecation of various machinery and equipments. Equitable Mortgage of Danman Plant situated at Rishabhdev Complex, Survey No. 731/1, 730/4, Vapi, Daman Road, Daman and Equitable Mortgage of flat No. 301 and 302 on 3rd floor, B wing, Gokul Heights CHS, Thakur complex, kandivali (East), Mumbai.

Repayable: EMI of Rs. 2,70,800/-

2. Rs. 1000 lacs from IDBI Bank Ltd.

Nature of Primary Security: Hypothecation of various machinery and equipments. Equitable Mortgage of Danman Plant situated at Rishabhdev Complex, Survey No. 731/1 to 730/4, Vapi, Daman Road, Daman and Equitable Mortgage of Daman Plant no. 2 and equitable mortgage of proposed unit -3

Repayable: in 72 EMI of Rs. 20,33,900/-

3. Internal Accruals

If the proceeds of the Issue and debt are insufficient, our Company will use internal cash accruals for the purpose of the project.

Deployment of Funds for the Project

As on April 24, 2009 Rs. 884.40 lacs have been incurred on the proposed project. The same has been certified by M/s. Bharat Rughani & Co, Chartered Accountants vide their certificate dated April 24, 2009.

Our Company has incurred the following expenditure on the project till April 24, 2009:

(Rs. in Lacs)	
Deployment of Funds	Amount
Purchase of Plant and Machinery for Unit I	271.45
Purchase of Land and Site Development Expenses for Unit II at Daman	50.49
Advance to Suppliers for Plant and Machinery to be installed at Unit II and Unit III	444.43
Advance for Land to be acquired at Silvassa for setting up of Unit III	71.00
Other general expenditure incurred related to expansion cum modernization	47.03
Total	884.40

The means of finance for the cost incurred as above is as follows:

(Rs. In lacs)

Rishabhdev Technocable Limited

Particulars	Amount
Term Loan from IDBI Bank	100.00
Share Application Money from Promoters*	721.00
Unsecured Loans from Promoters (Mr. Sunil B.Golchha and Mr. Kamal Chand B.Golchha)	14.40.
Internal Accruals	49.00
Total	884.40

*The unsecured loan was converted into share application money vide board resolution dated July 25, 2008. The unsecured loan advanced by the Promoters was interest free and there was no specified tenure of the same. For the further details about this unsecured loan, please refer to the sub-section titled “Annexure – XI: Statement of Unsecured Loans” on page no. 102 of this Red Herring Prospectus.

Interim Use of Funds

Pending utilization of funds as stated above, our Company intends to invest the proceeds of the fresh issue in high quality, interest/dividend bearing short term/long term liquid instruments including deposits with banks for the necessary duration. Our management in accordance with the policies established by our Board of Directors from time to time will have flexibility in deploying the net proceeds of the Issue.

Monitoring of Utilization of Funds

The Audit Committee will monitor the utilization of issue proceeds. Other than as mentioned above, no part of the Issue proceeds will be paid by us as consideration to our Promoters, Directors, key managerial personnel except in the course of normal business. The Board of Directors of our Company will submit a statement to Audit Committee on the utilization of issue proceeds along with the details and the same after the review will be submitted to stock exchanges/published in the website. In compliance with Clause 43 of Listing Agreement, the company shall furnish to the stock exchange(s) on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds of this Issue from the objects stated in the RHP and furnish the information mentioned in sub-clause (1) to the stock exchange(s) along with the interim or annual financial results submitted under clause 41 of listing agreement and to publish in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of clause 49 of listing agreement.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLMs and the Co-BRLM on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors in relation to the Equity Shares offered by the Book Building Process. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 2.9 times the face value at the lower end of the Price Band and 3.3 times the face value at the higher end of the Price Band.

Investors should read the following summary with the risk factors beginning from page no. x of this Red Herring Prospectus and the details about our Company and its financial statements included in this Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

a) Track Record

Our Promoters have more than two decades of experience in the cable industry. We have supplied our products to a large number of companies including Tata Power Ltd, Grasim Industries Ltd, Reliance Industries Ltd, Essar Power Ltd, Essar Steel Ltd, Century Enka Ltd, Tata Steel Ltd, NTPC Ltd, Alfa Laval India Ltd, Welspun Gujarat Stahl Rohren Ltd. etc. The top ten clients of our Company as per Sales Turnover in FY 2008 are as under -

Sr. No.	Name
1.	Essar Steel Ltd.
2.	Essar Power Ltd.
3.	Essar Constructions Ltd.
4.	Siemens Ltd. (Power Projects Division)
5.	Johnson Controls India Pvt. Ltd.
6.	J K Laxmi Cement Ltd.
7.	Sanghi Cement Ltd.
8.	Grasim Industries Ltd.
9.	Milan Electricals
10.	Welspun India Ltd.

b) Wide range of Products

We offer a wide range of quality power cables, control cables, instrumentation cables and specialty cables.

c) System and Product Approvals

Our Company's products and systems have received approvals from various agencies including:

- (i) BS EN ISO 9001:2000 (valid till August 9, 2009) by BSI Management Systems, UK
- (ii) IS 694:1990 (valid till June 21, 2009) by Bureau of Indian Standards
- (iii) IS: 1554:1988 Part 1: 1988 (valid till June 21, 2009) by Bureau of Indian Standards

d) Experienced Promoters

Our Promoters have more than 20 years of experience in the cable industry. Mr. Sunil Golchha, Managing Director started his career in 1987 with M/s. Udey Pyrocables Private Limited a cable manufacturing company. He is currently looking after the overall functioning of our Company with special focus on business development and marketing This has enabled them to build an established network of contacts in the industry.

e) Recognized name in the Industry

Our Company has been supplying cables under the brand of "Rishabhdev-Komet". Our Company has been able to establish for itself a recognized name in the cable industry.

Quantitative Factors

a) Earnings per share (EPS)

Particulars	EPS (Rs.)	Weight
Year ended March 31, 2006	1.75	1
Year ended March 31, 2007	2.29	2
Year ended March 31, 2008	5.32	3
Weighted average	3.72	
Nine Months ended December 31, 2008 (Not Annualized)	5.01	

Notes:

- (i) The diluted EPS has been computed on the basis of restated profits and losses for the respective years drawn after considering the impact of extraordinary items and regroupings pertaining to earlier years as per the auditors report.
- (ii) The denominator considered for the purpose of calculating the diluted EPS is weighted average of number of equity shares outstanding as on date

b) Price Earning Ratio (P/E)

- (i) EPS for the year ended March 31, 2008 based on restated financial statements is Rs 5.32 and for the 9 months ended December 31, 2008 (not annualized) is Rs. 5.01.
- (ii) P/E based on the year ended March 31, 2008 EPS is 5.5 at the Floor Price of Rs. 29/- and 6.2 at the Cap Price of Rs. 33/-.
- (iii) P/E based on weighted average EPS based on restated financial statements is 7.8 at the Floor Price of Rs. 29/- and 8.9 at the Cap Price of Rs. 33/-.
- (iv) The Industry P/E* :

Highest	: 13.2
Lowest	: 1.3
Average	: 5.4

(*Source: Capital Market Vol. XXIV/05 May 04 – May 17, 2009)

c) Weighted Average Return on Networth

Particulars	Return on Net Worth (%)	Weight
Year ended March 31, 2006	13.83	1
Year ended March 31, 2007	14.83	2
Year ended March 31, 2008	28.64	3
Weighted average	21.56	
Nine Months ended December 31, 2008	14.40	

Notes:

Net worth has been computed by aggregating Share Capital, Reserves and Surplus and share application money, after adjusting for Miscellaneous Expenditure as per the restated financial statements.

d) Minimum Return on Total Net Worth post-Issue to maintain EPS at Rs 5.32 is 20.43% at the Floor Price of Rs. 29/- and 18.67% at the Cap Price Rs. 33/-.

e) Net Asset Value (NAV) per Equity Share

The net asset value per equity share represents shareholders' equity less miscellaneous expenses, divided by number of equity shares outstanding at the end of financial year.

Particular	At the Floor Price of Rs. 29/-	At the Cap Price of Rs. 33/-	At Issue Price
(i) As on March 31, 2008	n/a.	n/a.	Rs. 16.35
(ii) After the Issue	Rs. 26.04/-	Rs. 28.50/-	[●]

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

f) Comparison with Industry Peers

Name of the company	EPS Rs.	P/E Ratio	Return on Networth (%)	Book Value per share (Rs.)
Rishabhdev Technocable Ltd*	5.3	[●]	28.6	16.4
Cords Cable Industries Ltd.	11.9	3.8	29.5	68.2
KEI Industries Ltd.	7.5	-	24.3	34.0
Diamond Power Ltd.	20.7	3.2	50.1	76.6
Torrent Cables Ltd.	54.0	1.3	-	135.4
Universal Cables Ltd.	7.0	13.2	10.6	72.5

*As on March 31, 2008

Notes:

Our EPS, return on networth and book value has been calculated from our audited restated financial statement. Source for other information is from *Capital Market Vol. XXIV/05 May 04 – May 17, 2009*

The Issue Price of Rs. [●] has been determined by us, in consultation with the BRLMs and the Co-BRLM on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above accounting ratios.

The Face Value of our Equity Shares is Rs.10/- each and the Floor Price is 2.9 times of the Face Value of our Equity Shares on the lower end of the Price Band and 3.3 times on the Cap Price on the higher end of the Price Band.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Rishabhdev Technocable Limited
Unit No. 53, 1st Floor, Jagat Satguru Industrial Estate
Vishveshwar Nagar Road,
Goregaon (East),
Mumbai – 400 063
India

Statement of Possible Tax Benefits available to the Company and its shareholders

We hereby report that the enclosed annexure states the tax benefits available to Rishabhdev Technocable Industries Limited (the “Company”) and its shareholders under the tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependant upon fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

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

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

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

For Bharat J. Rughani & Co.,
Chartered Accountants

Sd/-

Proprietor: Bharat Rughani
Membership No: 40543

Place: Mumbai
Date: April 25, 2009

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO RISHABHDEV TECHNOCABLE LIMITED AND TO ITS SHAREHOLDERS

Under the Income-Tax Act, 1961 (“the Act”):

I. Benefits available to the Company

1. As per the provisions of Section 32 of the Act, the company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

In accordance with and subject to the conditions specified in Section 32(I)(ia) of the Act, the company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

2. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by domestic companies) received on the shares of any company is exempt from tax.
3. As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

Income received in respect of units from the Administrator of the specified undertaking; or

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.

4. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- (i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
 - (ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.
5. As per provision of clause (xv) in subsection (1) of section 36 of The Income tax Act 1961 so as to provide that an amount of securities transaction tax paid by the assessee during the previous year in respect of taxable securities transaction entered in to in the course of his business during the previous year shall be allowed as deduction if the income arising from such taxable security transaction is included in the income computed under the head “Profit and Gains in Business or Profession”
 6. As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax @ 11.33% (including a surcharge of 10% and education cess of 3% on the overall tax) of the book profits determined.
 7. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable

surcharge and education cess) without indexation benefits, at the option of the Company. Under section 48 of the Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.

8. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
9. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).

II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.
3. As per section 10(38) of the Act, long-term capital gains arising to the shareholder from the transfer of a long-term capital asset being an equity share in the Company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
4. As per provision of clause (xv) in subsection (1) of section 36 of The Income tax Act 1961 so as to provide that an amount of securities transaction tax paid by the assessee during the previous year in respect of taxable securities transaction entered in to in the course of his business during the previous year shall be allowed as deduction if the income arising from such taxable security transaction is included in the income computed under the head “Profit and Gains in Business or Profession.
5. As per section 112 of the Act, if the shares of the Company are listed on a recognized stock exchange, taxable long term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. If only part of capital

gain is so reinvested, the exemption shall be allowed proportionately. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the act. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
7. As per section 54F of the Act, in the case of an individual or a Hindu Undivided Family (‘HUF’), gains arising on transfer of a long-term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in the residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.
 8. As per section 111A of the Act, short-term capital gains arising to the shareholder from the sale of equity shares of the Company or a unit of equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax will be taxable at the rate of 15% (plus applicable surcharge and education cess).

III. Non-Resident Indians/Non Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the shareholder from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
4. As per section 54F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of long term capital assets,

not being a residential house, will be exempt from capital gain tax subject to certain conditions, if the net consideration from such shares is used for purchase of a 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.

5. Under section 115-C(e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIII A of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:
 - (i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge and education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
 - (ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
 - (iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
 - (iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
 - (v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long-term capital gains	10
Short-term capital gains (other than referred to section 111A)	30

The above tax rates have to be increased by the applicable surcharge and education cess.

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
6. Under Section 54ED of the Act and subject to the conditions and to the extent specified therein, long term capital gains not covered under Section 10(38) of the Act arising on the transfer of shares of the Company, will be exempt from capital gain tax if the capital gain is invested in equity shares of Indian Public Company forming part of an eligible public issue, within a period of 6 months after the date of such transfer. 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 one year from the date of their acquisition.
 7. As per Provision of clause (xv) in subsection (1) of section 36 of The Income tax Act 1961 so as to Provide that an amount of securities transaction tax paid by the assessee during the previous year in respect of taxable securities transaction entered in to in the course of his business during the previous year shall be allowed as deduction if the income arising from such taxable security transaction is included in the income computed under the head "Profit and Gains in Business or Profession".
 8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

V. Venture Capital Companies/Funds

1. As per section 10(23FB) of the Act, all venture capital companies/funds registered with the 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 sale of shares of the Company. However income received by a person out of investment made in a venture capital company or in a venture capital fund shall be chargeable to tax in the hands of such person.

VI. Mutual Funds

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

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

1. Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

Benefits to shareholders of the Company under the Gift Tax Act, 1958

1. Gift made after 1st October 1998 is not liable for gift tax, and hence, gift of shares of the Company would not be liable for gift tax.

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 shares.

Notes:

- (i) All the above benefits are as per the current tax laws.
- (ii) 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 investments in the shares of the company.

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

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various government publications and industry sources. Neither we nor any other person connected with the Offering have verified this information. 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.

OVERVIEW OF THE INDIAN ECONOMY

The economy has experienced rapid growth in recent years and according to the advance estimates released by the Central Statistical Organisation (CSO), real GDP at factor cost grew by 9 per cent in 2007-08 (*Source: CSO-Press Note dated 30th May, 2008*)

GDP at current market prices is projected at Rs. 46,93,602 crore in 2007-08 by the Central Statistical Organisation (CSO) in its advance estimates (AE) of Gross Domestic Product. Thus, in the current fiscal year, the size of the Indian economy at market exchange rate will cross US\$ 1 trillion. At the nominal exchange rate (average of April-December 2007) GDP is projected to be US\$ 1.16 trillion in 2007-08. Per capita income at nominal exchange rate is estimated at US\$ 1,021. (*Source: Economic Survey 2007-08*)

GDP at factor cost at constant 1999-2000 prices is projected by the CSO to grow at 8.7 percent in 2007-08. This represents a deceleration from the unexpectedly high growth of 9.4 per cent and 9.6 per cent, respectively, in the previous two years. With the economy modernizing, globalizing and growing rapidly, some degree of cyclical fluctuation is to be expected. This was taken into account while setting the Eleventh Five Year Plan (2007-08 to 2011-12) growth target of 9 per cent (both in the approach paper and in the NDC approved plan). Given the over 9 per cent growth in the last two years of the Tenth Five Year Plan it was argued that the Eleventh Five Year Plan target could be set at 10 to 11 per cent as 9 per cent had already been achieved. Maintaining growth rate at 9 per cent will be a challenge and raising it to two digits will be an even greater one. (*Source: Economic Survey 2007-08*)

There was acceleration in domestic investment and saving rates to drive growth and provide the resources for meeting the 9 per cent (average) growth target of the Eleventh Five-Year Plan. (*Source: Economic Survey 2007-08*)

CABLE INDUSTRY IN INDIA

India's growth story is so far impressive with GDP growing at the brisk pace of 9 percent. Infrastructure needs to grow at a similar level for sustaining this GDP growth. Power and Telecom network spread across the country form the critical infrastructure backbone of India's economy. This infrastructure is undoubtedly dependent upon the manufacturers of power cables and manufacturers of telecom cables in the Indian cables industry. As of today, the penetration levels of both power and telecom networks is rapidly increasing and so is the tele-density and per capita power consumption. This augurs well for the suppliers of power cables and suppliers of telecom cables.

Apart from the power cables and telecom cables, Indian cable manufacturers are producing technologically advanced specialty cables including instrumentation cables, process control cables, Low voltage electrical power cables, rubber cables, control cables, which are used by the space, oil, gas, petrochemicals, fertilizers, cement, steel, railways, medical, automotive, electronics and many other core sectors of the Indian economy.

The Indian Electrical cable industry is highly fragmented with large number of cable producers. Many of these companies are small-scale cable producers, the smallest of which are family-run operations which use the most basic production equipments. There has been very limited consolidation amongst the major players in the industry. The tendency of cable companies to grow organically, rather than by acquisition of competitors, means that no dominant groups have emerged in the industry.

Historically, the demand in the electrical cable industry has been characterized by its cyclical pattern. The sector witnessed sustained market depression during the period 1998-2003 and since then the industry is on the upswing.

With infrastructure receiving priority attention from the Government of India, construction, power and telecom sectors are fast developing. This will give a boost to the wire and cable industries in the near future Annual

average growth of the Wire and Cable industry during 2002-05 was approximately 5.6%. In 2003-04, the non-SSI sector has reported production of 8.33 lacs core kms, which was 7% higher than previous year. (Source: Annual Reports of the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry for the years 2004-05, 2005-06, 2006-07 and 2007-08)

In 2004-05 the non-SSI sector has reported production of 7.40 lacs core kms; which was 11% lower than the previous year. In 2005-06 the non-SSI sector have reported production of 8.86 lacs core kms, showing healthy growth of 19.65%. In 2006-07, the non-SSI sector has reported production of 8.17 lacs core kms. During the year 2007-08 (up to December 2007) the reported production was over 20.93 lacs core kms. (Source: Annual Reports of the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry for the years 2004-05, 2005-06, 2006-07 and 2007-08)

This growth pattern is likely to go on for next few years due to various favorable factors, such as Power Sector reforms, growth in other infrastructure sectors, high growth rate of Indian economy etc.

The wire and cable industry is de-licensed and eligible for automatic approval for Foreign Direct Investment up to 100 per cent of the equity capital employed. India exported wires and cables of value around Rs.1,520.70 crore in 2006-07 against import of around Rs. 1551.4 cr. in the same period. (Source: Annual Reports of Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry for the years 2007-08)

NATURE OF INDIAN CABLE INDUSTRY

Industrial and Domestic users are the mainstay of the Cable market. The Industrial users mainly comprise of Power, Communication, Cement, Steel, Railways and Petro-Chemicals sectors. Most of their demand is addressed by the organized sector.

At present the demand for household cables is largely being met by un-organized sector. However, domestic consumers' are also becoming quality conscious and there is a steady shift towards high end cables thereby benefiting the organized sector.

CLASSIFICATION AND APPLICATION OF CABLES

The wire and cable industry manufactures a wide range of products that support a multitude of applications. Key functional components of wire and cable products include heat stabilizers, which may contain lead, flame-retardants, and polymer systems used in insulation and jacketing. These materials and other ingredients impart electrical insulation, physical stability, and fire performance properties, but have been identified as materials of potential environmental concern or as materials for which industry stakeholders have expressed a desire to identify and evaluate alternatives. In some applications, lead and other heavy metals have been removed from cable constructions, while other applications continue to use these materials.

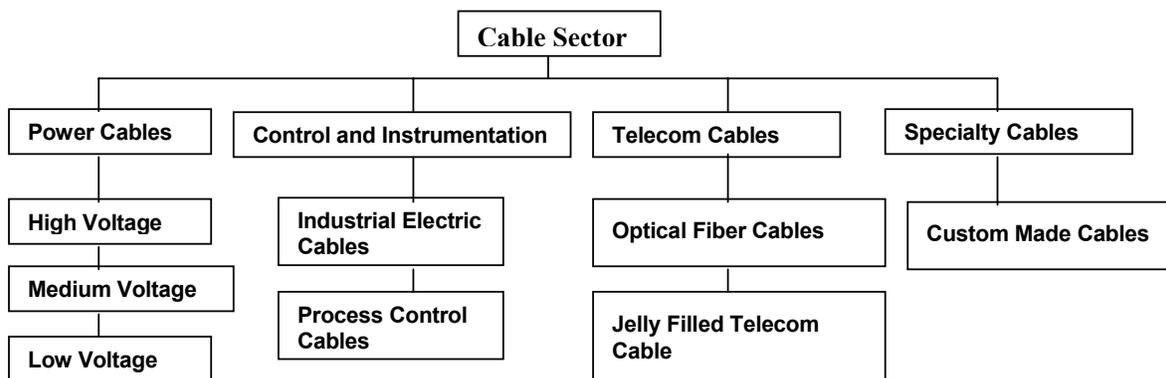
Wire and cable sector basically consists of two areas: power and telecommunication. Powers cable essentially uses PVC while telecommunication sector uses PE. Power cable consists of 3 types of products depending upon the intensity of power. Low-tension cables have a capacity up to 1.1 KV and predominantly use PVC insulation and jacketing. The medium tension power cables are between 1.1 KV and 11 KV generally use PE as well as PVC. The high-tension sector is beyond 11 KV. This sector uses exclusively PE. The low-tension cables are used for tertiary distribution of power mainly from substation to buildings. It also includes housing wires. This sector contains many other products for myriad applications. The medium tension cable generally use silane crosslinkable PE compounds while the high-tension cables use continuous vulcanization cables made from PE (LDPE). The telecommunication cables are essentially made from PE because of excellent insulation characteristics.

Amongst the industrial users, wires and cables mainly find application in three sectors: power, industrial and telecommunication. Industrial cables include control and instrumentation, LT cables, HT cables and specialty cables whereas telecom cables are classified as high capacity cables (Optical Fibre Cables - OFCS) and Low capacity cables (Jelly Filled Telecom Cables - JFTCS).

Control cables are used for control circuits in power plants and other similar industrial – Electrical installations and signaling network of Railways.

Instrumentation cable offers total interference free data transfer and is ideal for use as a signal and control cable in measuring, process- control and security systems. Instrumentation process in any industry is a very important factor for controlling various parameters during processing. These cables are used in normal or hazardous areas. These cables come with or without flame retardant properties and are suitable in process control, A/D converters

and other modern microprocessor based instrumentation circuits. Microprocessor based control devices demand very low noise level and attenuation of signals in the cable. These cables are designed to offer excellent resistance to noise and induction phenomena encountered in instrumentation circuits



Broad categories of Cables are:

Type of cables	Application
XLPE LT Power Cables	Power Transmission/Distribution
Electrical Control Cables	Electrical Utility and Large Industry
Instrument and Control Cables	Process Control Instruments
Fire Alarm Signal Cables	Fire Protection /Alarm Sensor and Panels, Access control
Special Fire Survival Cables	Steel, Power Plants and Oil and Gas platforms, Petroleum refineries
Rubber Insulated Cables	Post Docks , Ships, Steel and Mining Projects

DEMAND DRIVERS

Cables are the necessity of every basic infrastructure. Be it housing, telecom or information technology, cables form the backbone of all the core industries. The industry has a derived demand and caters to the high growth sector of the economy.

Demand for cables arises from the following sectors:

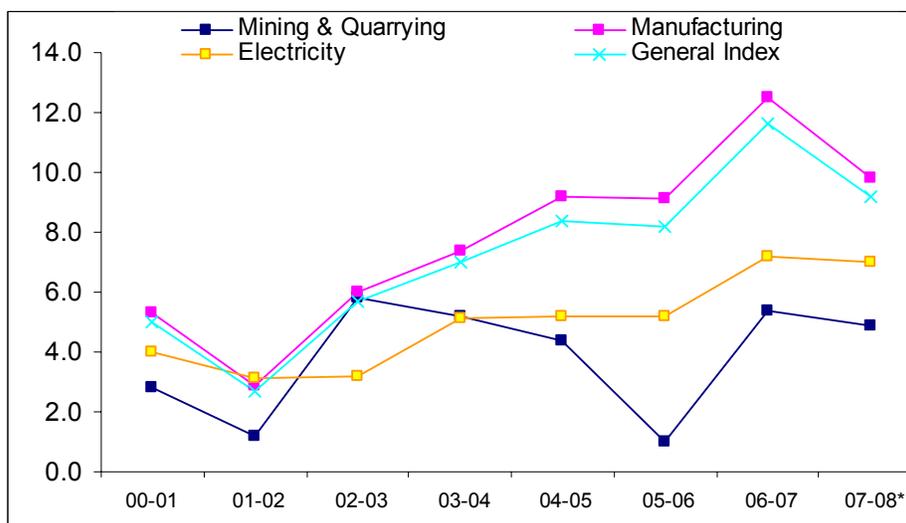
- Industrial Capex (on construction of new plants and factories)
- Power capacity addition during Eleventh and Twelfth plan
- Housing and construction of IT / ITES complexes, malls, multiplexes, etc
- Others like Mining, Shipbuilding, Defense, R&D and large processed based Industries

Industrial Investment

Industrial investment coming in the form of Industrial plants and buildings and other electrical and control equipments and machinery would require power and control cables- be it high tension or medium- tension or low tension. This would drive demand for power cables in industrial sector, going forward.

Industrial capex has been picking up on the back of increasing industrial production with revival in economy.

Chart: IIP from manufacturing sector



*Figures for April-Nov 2007
 Source: Economic Survey 2007-2008

Rising industrial production coupled with positive outlook for manufacturing sector giving forward, and companies operating optimal capacity utilization levels, would drive capex plans in industrial sector. Various companies have already announced ambitious expansion plans and many would follow the suit.

Demand due to Power Capacity Addition during Eleventh and Twelfth plan

Power is a vital input for economic and social development of our society. Besides its importance in the growth of the country’s economy, it plays a major role in the life of a common man and has a direct impact on the quality of life. Power cable industry is mainly dependent on the status of the power sector. It has been estimated that in the long term the projections of power requirement are expected to grow, with the Installed Capacity requirement by 2031-32 being about 7.6 lacs MW and 9.6 lacs MW, with 7% and 8% growth rates respectively. (Source: “White paper on strategy for 11th Plan”-prepared by Central Electricity Authority and CII in August 2007)

High power generation targets in Eleventh Plan

Table: Capacity addition proposed during Eleventh Plan (2008-2012)
 In MW

	Thermal	Hydro	Nuclear	Total
Central	26,800	9,685	3,380	39,865
State	24,347	3,605	0	27,952
Private	7,497	3,263	0	10,760
All India	58,644	16,553	3,380	78,577

*As on 24.01.08
 (Source: Ministry of Power - Hydro Power policy 2008)

Table: Year wise phasing of 11th Plan projects

	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Hydro	2,751	1,305	1,445	3,857	7,195	16,553
Thermal	12,704	4,477	11,623	14,390	15,450	58,644
Nuclear	880	1,000	1,000	500	0	3,880
Total	16,335	6,782	14,068	18,747	22,645	78,577

(Source: “White paper on strategy for 11th Plan”-prepared by Central Electricity Authority and CII in August 2007)

Table: Tentative Capacity addition proposed during Twelfth Plan (2012-2017)

In MW	Twelfth Plan

Rishabhdev Technocable Limited

Hydro	30,000
Thermal	44,500
Nuclear	12,000
Total;	86,500

(Source: Central Electricity Authority Report- "Requirement of Equipment and Material for Development of Power Sector")

During the Eleventh plan, a tentative capacity addition of 66,463 MW is planned comprising of 17,189 MW of hydro, 46,114 MW of thermal and 3,160 MW of nuclear capacity in the most feasible scenario i.e. low hydro limited gas availability scenario. Fuel wise break-up of the total capacity addition of 66,463 MW. The estimated requirement of cables for generation plants coming up during the Eleventh Plan and Twelfth Plans has been worked out considering tentative capacity addition identified for these Plans. (Source: Central Electricity Authority Report- "Requirement of Equipment and Material for Development of Power Sector")

Table: Requirement of cables for 660/800 MW, 500 MW, 300/250/210 MW class and 125 MW for coal / lignite based units of Eleventh Plan and Twelfth Plans Capacity Addition Programme

In KM

Thermal		
Types of Cables	Eleventh Plan	Twelfth Plan
33 kV Single Core Cable	36	120
11kV Single Core Cable	967	1,102
11kV Multi Core Cable	1,238	1,312
3.3 kV Single Core Cable	660	536
3.3 kV Multi Core Cable	520	624
6.6kV Single Core Cable	832	224
6.6kV Multi Core Cable	832	224
1.1 kV Power Cable	22,596	15,720
1.1 kV Control Cable	42,829	27,030
Total	70,510	46,892

(Source: Central Electricity Authority Report- "Requirement of Equipment and Material for Development of Power Sector")

Table: Requirement of cables for Gas/LNG based Thermal units of Eleventh Plan Capacity Addition Programme

In KM

Thermal	
Types of Cables	Eleventh Plan
HT Power Cable	1,800
LT Power and Control Cable	4,500
Total	6,300

(Source: Central Electricity Authority Report- "Requirement of Equipment and Material for Development of Power Sector")

Table: Requirement of cables for Hydro Projects of Eleventh Plan and Twelfth Plan Capacity Addition Programme

In KM

Hydro		
Types of Cables	Eleventh Plan	Twelfth Plan
EHV XLPE Cable	42	73
EHV Bus Duct	18	32
Total	60	105

(Source: Central Electricity Authority Report- "Requirement of Equipment and Material for Development of Power Sector")

Requirement of cables for nuclear plants has not been included in the CEA Report as their requirement, which includes special type of material, is difficult to estimate. Also it is expected that the Nuclear Power Corporation of India would separately ensure development of production capability for material and equipment commensurate with their requirement during Eleventh and Twelfth Plans. (Source: Central Electricity Authority Report- "Requirement of Equipment and Material for Development of Power Sector")

- **Housing and Construction of IT/ITES complexes. Malls. Multiplexes etc.**

Sector is expected to continue its growth on the back of rising demand for residential property from increasing number of nuclear families and easy availability of housing loans.

IT and ITES sectors are growing, which is resulting in development of IT parks and development centres. This is giving further boost to capital formation in service sector infrastructure.

In real estate, low tension cables called housing wires and Lighting cables are used extensively. Consumption of housing sector growing, we expect demand for housing wire to grow. Thereafter, the demand for cabling and LAN cables would grow in commercial building and TV cables in case of housing complexes and TV – coaxial cables in intelligent building network management. These all factors would drive demand for cables.

Ambitious capex plans make railway a major spender

Indian Railway has embarked on aggressive plans to expand and modernize its network. The Annual Plan of Rs. 37,500 cr for 2008-09 is the highest ever annual plan of the railways. Indian railway plans to lay railway line costing around Rs. 1730 Cr. Provision has been made for Rs.1520 cr for signal and telecommunication works, Rs. 2489 cr for gauge conversion, Rs. 626 cr for electrification and Rs. 650 cr for Metropolitan Transport Projects has been made. (Source: *Railway Budget -2008-09*). 30-40% of signaling capex is spends on cables.

Key elements of the strategy would entail investment in infrastructure as well as modernization of wagons technology, advanced signaling and telecommunication, induction of high horsepower locomotives, grade separation, and the use of information technology specifically tailored to improve transit times and lower unit cost operation. It would also include building world-class passenger and freight terminals benchmarked to the best global standards.

MAJOR PLAYERS

The cable market in India is largely un-organized with few organized players. The organized players in this segment besides ourselves are Universal Cables Ltd., Torrent Cables Limited, KEI industries Ltd., Paramount communications Ltd., Sterlite Optical Technologies Ltd., Finolex Cables Ltd., Nicco Corporation Ltd., Polycab Wires Pvt. Ltd., Delton Cables Ltd., and a few others.

OUR BUSINESS

In this section any references to 'we', 'us', 'our' wherever relating to past history or activities, refers to the history or activities carried out by our Company.

OVERVIEW

Our Company was incorporated as a public limited company in the year 1994 under the Companies Act, 1956 by Shri Bhanwar Lal Golchha, Shri Sunil Golchha and Shri Kamal Chand Golchha. The registered office of our Company is situated at Goregaon, Mumbai and the manufacturing unit of our Company is located at Daman. Komet Wire Industries Private Limited became a Subsidiary of our Company in 2002. In order to take advantage of synergies existing in operations of both the companies, Komet Wire Industries Private Limited was amalgamated with our company w.e.f. April 1, 2004 in pursuance of the order of the Honorable High Court of Bombay dated October 7, 2005. Our Company was initially engaged in trading of cables and thereafter diversified into manufacturing activities. The business of our company has grown considerably over the years and is presently one of the well-known cable manufacturers in India.

Over the years, we have expanded our product range and have added variety of cables in our product range like Industrial control cables, Hi-Tech data cables, Process control instrument signal cables, Thermocouple extension and Compensating cables, Computer application, Hi- Bit rate networking cables, Digital data communication cables, Specialty cables and Customized cables. With the objective of moving up the value chain we identified new opportunities and are now diversifying into Electrical Low Voltage Power cables on a major level. Pursuant to this objective we initiated a modernization cum expansion program in April, 2007. We now intend to set-up a separate manufacturing unit for control cables at Daman and a separate manufacturing unit for Electrical Low Voltage Power cables at Silvassa apart from expanding and modernizing manufacturing facilities at our existing unit at Daman.

At present, our Company manufactures cables up to 1.1 KV for various applications covering most segments of users industries. We cater to a wide spectrum of cable users in various industries like Power and Electrical Distributions and Transmission, Steel and Metal, Cement, Mines and Minerals, Petrochemicals and fertilizers, Paper Mills and Fine chemicals, Hydrocarbon Process Industries, Software Technology IT Park and infrastructure.

Our Company is a regular supplier to many large corporates and well-known public and private sector Undertakings. Our clients are from diverse industries and include large corporates such as Tata Power Company Ltd (Sales amounted to 0.45% of total sales in the FY 06-07 and 0.36% of total sales in FY 07-08), Reliance Industries Ltd (Sales amounted to 1.36% of total sales in the FY 06-07 and 1.48% of total sales in FY 07-08), Grasim Industries Ltd (Sales amounted to 8.16% of total sales in the FY 06-07 and 2.56% of total sales in FY 07-08), Bharat Aluminium Co. Ltd (Sales amounted to 0.22% of total sales in the FY 07-08), Century Enka Ltd (Sales amounted to 0.47% of total sales in FY 07-08), Welspun Gujarat Stahl Rohren Ltd (Sales amounted to 1.35% of total sales in the FY 06-07 and 0.64% of total sales in FY 07-08, Siemens Ltd (Sales amounted to 1.88% of total sales in the FY 06-07 and 0.43% of total sales in FY 07-08), Sanghi Industries Ltd (Sales amounted to 7.47% of total sales in the FY 06-07 and 4.90% of total sales in FY 07-08), Adani Agri Logistics Ltd (Sales amounted to 0.34% of total sales in the FY 06-07 and 0.58% of total sales in FY 07-08), Johnson Controls India Pvt. Ltd (Sales amounted to 0.59% of total sales in the FY 06-07 and 0.71% of total sales in FY 07-08), Essar Constructions Ltd (Sales amounted to 2.80% of total sales in the FY 06-07 and 4.86% of total sales in FY 07-08), J K Laxmi Cement (Sales amounted to 1.47% of total sales in the FY 06-07 and 3.57% of total sales in FY 07-08), Filatex India Ltd (Sales amounted to 4.76% of total sales in the FY 06-07 and 0.18% of total sales in FY 07-08), Siyarams Silk Mills Ltd (Sales amounted to 0.24% of total sales in the FY 06-07 and 2.18% of total sales in FY 07-08), Essar Steel Ltd (Sales amounted to 31.85% of total sales in the FY 06-07 and 2.33% of total sales in FY 07-08), Alok Industries Ltd (Sales amounted to 2.05% of total sales in FY 07-08), Essar Power Ltd (Sales amounted to 3.83% of total sales in FY 07-08), Kalpatru Power Transmission Ltd (Sales amounted to 0.50% of total sales in the FY 06-07 and 6.37% of total sales in FY 07-08), Gupta Synthetics Ltd (Sales amounted to 1.80% of total sales in the FY 06-07), Gas Authority of India Ltd (Sales amounted to 0.42% of total sales in the FY 06-07 and 0.29% of total sales in FY 07-08), Hindustan Lever Ltd (Sales amounted to 1.19% of total sales in FY 07-08), Hindustan Oil Exploration Ltd (Sales amounted to 2.88% of total sales in FY 07-08), Hindalco Industries Ltd (Sales amounted to 0.49% of total sales in FY 07-08) and others.

Our Company is BS EN ISO 9001:2000 certified by BSI, UK and also IS 694:1990, IS: 1554:1988 Part 1: 1988 by Bureau of Indian Standards. The validities of these certifications are upto August 9, 2009, June 21, 2009 and June 21, 2009 respectively.

OUR COMPETITIVE STRENGTHS

We believe the following are our core strengths.

Wide customer base and long term customer relationship

We have a track record of providing quality cables to our customers on a continuous and uninterrupted basis. We have maintained excellent relationships with our customers, due to our ability to offer customized and tailor made products as per the design specifications of our clients. We receive repeat orders from our clients in various sectors like Oil and Gas, Steel, Power, Chemical, Cement, Fertilizer, Defence and Telecom etc. Our strong relation with clients is one of the major reasons for our success over these years.

Our comparatively low cost of production

Due to our good relationship with our suppliers, we are able to purchase the raw materials at competitive rates on a timely manner. Our well-defined raw material policy ensures that optimal quality of raw materials is maintained. In order to keep the unit cost of production low, we make continuous efforts to cut our costs wherever possible; at the same time ensuring that the quality does not suffer. Our continuous efforts in reducing costs as well as offering best quality products to our clients has helped us to establish a name for our products in the market.

Established and proven track record with high service standard

We are a well known cable manufacturing company offering wide range of products. We are a regular supplier of various types of custom made and standard cables to companies like Tata Power Company Ltd., Grasim Industries Ltd., Reliance Industries Ltd., Essar Steel Ltd., Essar Power Ltd., Siemens Ltd., Essar Constructions Ltd., J.K Laxmi Cement Ltd., Sanghi Industries Ltd., Welspun Gujarat Stahl Rohren Ltd., etc., Our strength lies in our impeccable track record of timely and quality deliverables, which enables us to withstand competition and develop long lasting relations with our customers.

Extensively experienced promoters

Our Promoters have more than 20 years of experience in the cable industry. Mr. Sunil Golchha, Managing Director started his career in 1987 with M/s. Udey Pyrocables Private Limited a cable manufacturing company. He is currently looking after the overall functioning of our Company with special focus on business development and marketing. Mr. Kamal Chand Golchha started his own proprietary firm in the name of M/s Kiran Sales Corporation in the year 1987, which was into the business of mining and minerals. He was also associated with M/s ECI Cables Corporation. He is looking after the manufacturing facilities of our Company and is responsible for the execution of orders on time. Mr. Bhanwar Lal Golchha is giving guidance to our Company on strategic matters.

Wide product portfolio and ability to cater to diverse market requirements

Our Company provides an extensive range of power, control, instrumentation and specialty cables conforming to Indian standards. We have continuously expanded our product range and have added variety of cables in our product range like Industrial control cables, Hi-Tech data cables, Process control instrument Signal cables, Thermocouple extension and compensating cables, Computer application Hi-Bit rate networking cables, Digital data communication cables, Low voltage power cables, Specialty cables and Customized cables. Diversified product portfolio reduces the risk of slowdown in the business.

Good relations with workforce

Our Company has been maintaining good relations with the work force over the years, which has been one of the instrumental factors for our success. We keep our work force satisfied and motivated by remunerating them well and providing them with good working conditions.

Our excellent relationships with bankers and suppliers

Our Company has enjoyed very good relations with its bankers over the years. We started banking with United Western Bank Limited (now IDBI Bank) in the Year 1997. Over the years, our cash credit limit was raised to Rs. 330 Lacs and Term Loan of Rs. 100 Lacs was sanctioned and disbursed. We have received a sanction of Rs.1000 Lacs for the expansion plan. With this the total exposure of IDBI Bank would be to the tune of Rs. 1430 Lacs. We also enjoy good relations and a reasonable credit period from our suppliers.

OUR BUSINESS STRATEGY

Our vision is to become a renowned and major cable manufacturer by providing cost-effective and quality products for industrial as well as domestic users. In line with this vision, our strategy is to capitalize on our core strengths and thus enhance the volume of our business. We intend to focus on our existing range of products with specific emphasis on the following as a part of our growth strategy:

To increase our scale of operation by undertaking a modernization cum expansion program

With the increased demand from our customers, we realized the need for increasing our capacity by modernizing our existing facilities and also by setting up of two new production facilities for power cables and control cables. With this view, we planned to modernize our existing facility at Daman (Unit I) and set up two new facilities at Daman (Unit II) and at Silvassa (Unit III) for manufacture of control and power cables respectively.

We have already incurred cost of Rs. 271.45 lacs towards modernization of existing unit. The modernization of the Unit No. 1 was completed by September, 2008. For setting up our Unit II we have already acquired a plot located near to our existing Unit (Unit I) at Daman. The construction work is in the final stage of completion and the commercial production is expected to commence by June 2009. We have also entered into an MOU for land admeasuring approx. 48,000 square meters at Silvassa on June 27, 2008 for setting up of Unit III. The Unit III is expected to be ready and the commercial production is expected to start in November 2009.

The following table shows the location of existing and new units –

Units	Location
Unit No. I (Expansion of existing Unit)	Daman
Unit No. II (New Unit for Control Cables)	Daman
Unit No. III (New Unit for Power Cables)	Silvassa

The schedule of the modernization cum expansion program is expected to be as under –

Units	Commencement	Completion
I	April, 2007	September, 2008
II	January, 2008	June, 2009
III	June, 2008	November, 2009

The proposed expansion will give us economies of scale and ability to execute bulk orders. For more details please refer to section titled “Objects of the Issue” on page no. 32 of this Red Herring Prospectus.

To strengthen our relationships with existing clients and to develop relationships with new clients

Our Company has executed orders for various corporate giants like Reliance Industries Ltd., Tata Power Company Ltd., Grasim Industries Ltd., Hindalco Industries Ltd., Johnson Controls India Pvt. Ltd., Sanghi Industries Ltd., Essar Constructions Ltd., Filatex India Ltd.etc. We will further consolidate and strengthen our relationship with existing clients by providing them with quality products and at the same time will consistently develop new relations. The top ten clients of our Company as per Sales Turnover in FY 2008 are as under -

Sr. No.	Name
8.	Essar Steel Ltd.
9.	Essar Power Ltd.
10.	Essar Constructions Ltd.
11.	Siemens Ltd. (Power Projects Division)
12.	Johnson Controls India Pvt. Ltd.
13.	J K Laxmi Cement Ltd.
14.	Sanghi Cement Ltd.
15.	Grasim Industries Ltd.
16.	Milan Electricals
17.	Welspun India Ltd.

To continue focus on product development through constant research and development

Our Company continues to focus on research and development as a core thrust of our business. We intend to continuously develop customized cables for our customers to satisfy their requirement. We believe constant research and development would enable us to remain ahead of competition and also to help customers with lower costs and enhance their efficiency. We also focus on process improvements to bring down operational costs and enhance the quality of products. Through an in-house quality control and research and development, we have created our own knowledge database and are providing new products to our customers. Our Company makes continuous efforts to apply modern techniques in the manufacturing process as a practice, in order to achieve better quality products.

To widen our portfolio across sectors

Our Company is catering to various industries, which has contributed to increase our technical know-how and range of products offered. We aim to continue diversifying our product line across various industries, so as to mitigate any sort of risk that may arise in the future due to slowdown in any particular industry.

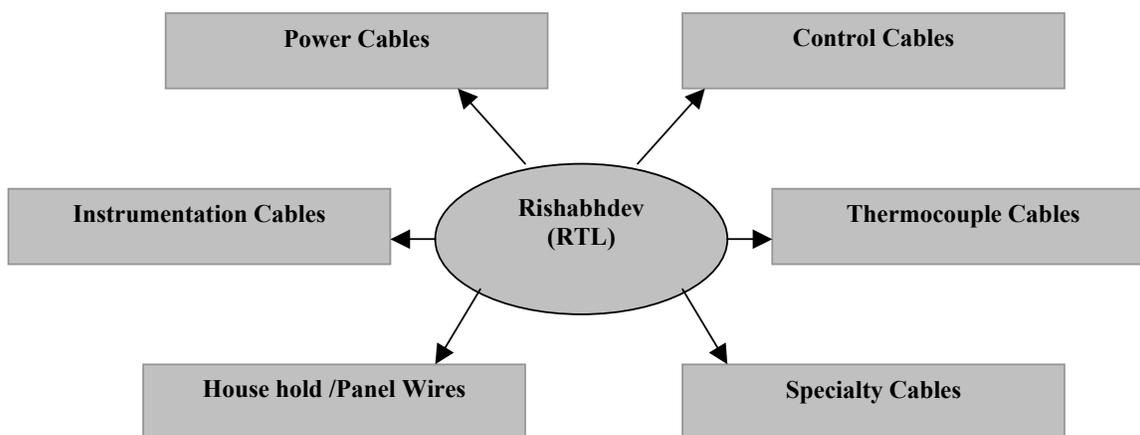
To strengthen our competitive position

Our Company intends to strengthen the competitive position of our products by undertaking brand-building exercise. We would focus on providing quality products at competitive prices.

To make optimal utilization of resources

Our Company constantly endeavors to improve our productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We regularly analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and timely correct the same. This helps us in improving efficiency and putting resources to optimal use.

OUR PRODUCT RANGE



Product Portfolio

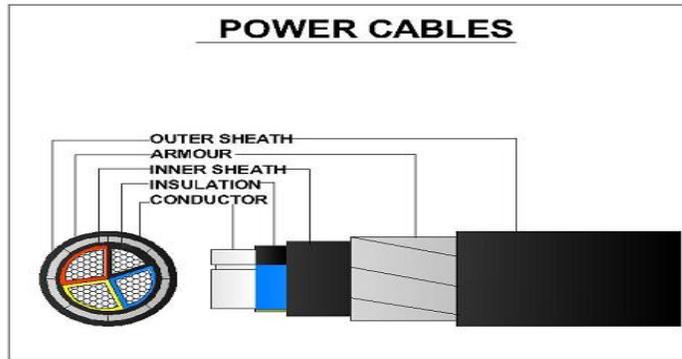
The main types of cables, which account for maximum revenue, are:

- LT (Low Voltage) control cables (upto 1.1 KV)
- LT (Low Voltage) power cables (upto 1.1 KV)
- Instrumentation, signal and data cables
- Specialty customized Cables

Particulars	Major types of Cables		
	LT Control Cables (upto 1.1 KV)	LT Power Cables (upto 1.1 KV)	Instrumentation, signal and Data cables
Type and Size -	PVC / XLPE insulated cables conforming to IS:1554-I:88 / IS:7098-I:88 and BS-5308	PVC / XLPE insulated cables conforming to IS:1554-I:88 / IS:7098-I:88	Generally manufactured with conductor sizes 0.5/0.75/1.0/1.5 sq.mm. Conforming to BS:5308-

	Generally manufactured with conductor sizes 1.5/2.5/4.0 sq.mm	Single core cables upto 630 sq.mm; Multicore cables upto 400 sq.mm.	I and II, IEC-189, -60332 IS:1554-I:88, VDE 0815
Conductor	Solid / stranded, circular / shaped, copper /	Solid / stranded, circular / shaped, copper / Aluminium	Solid / stranded / flexible copper (bare / tinned)
Insulation	PVC – GP / HR; XLPE, LSZH - PVC	PVC –GP / HR; XLPE, LSZH – PVC	PVC – GP / HR; PE, LSZH - PVC
Inner Sheath	PVC – GP / HR / FR / FRLS; LSZH	PVC – GP / HR / FR / FRLS; LSZH	PVC – GP / HR / FR / FRLS; PE, LSZH
Outer sheath	PVC – GP / HR / FR / FRLS; LSZH – PVC	PVC – GP / HR / FR / FRLS; LSZH – PVC	PVC – GP / HR / FR / FRLS; PE, LSZH - PVC
Armour (for armoured cables)	Galvanised steel round wire / flat strip	Galvanised steel round wire / flat strip	Galvanised steel round wire / strip / S.S. Wire Braided

Power Cables:



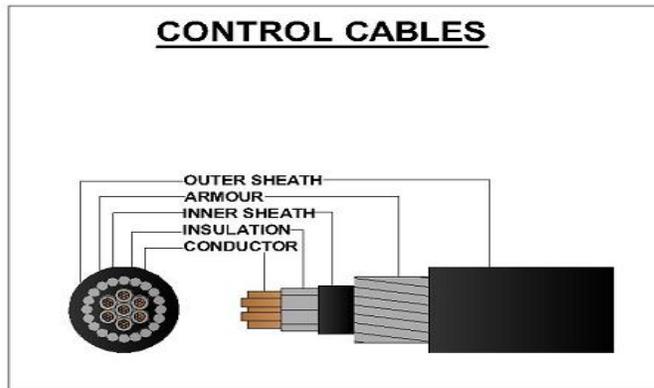
Applications

Power cables are used in connection of power supply to residential, commercial and industrial units and transmission and distribution of electrical power utility.

Eminent Power Cables Customers

- Kalpataru Power Transmission Ltd
- Tata Power Company Ltd
- Grasim Industries Ltd
- Essar Power Ltd
- Sanghi Industries Ltd

Control Cables:



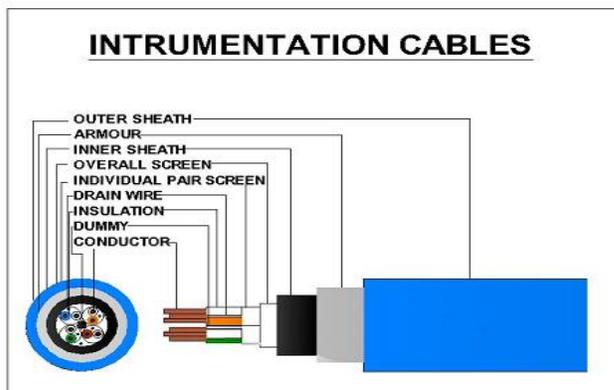
Applications

Control Cables are used in interconnection of processes control and panel control systems and Industrial electrical equipment and panels.

Eminent Control Cables Customers

- Siemens Ltd
- Tata Power Company Ltd
- Kalpatru Power Transmission Ltd
- Essar Constructions Ltd
- Sanghi Industries Ltd

Instrumentation Cables



Applications

Instrumentation cables are used in data acquisition systems, computer networking, PA systems, digital control / measuring and communication systems. Instrumentation cables are specially designed to transmit signals without any external interference.

Eminent Instrumentation Cables Customers

- Siemens Ltd
- Tata Power Company Ltd
- Grasim Industries Ltd
- Johnson Controls India Pvt. Ltd
- J.K. Laxmi Cement
- Welspun Gujarat Stahl Rohren Ltd
- Reliance Industries Ltd
- Essar Constructions Ltd

Specialty Cables

There are many customized specialty cables, which are tailor made for different applications as per the specifications of the customers. Some of the specialty cables commonly manufactured by us are -

- PU – Insulated – Jacketed – Super Flexible Cables
- HR – 450 Deg. C HI – Temp Furnace Cables
- EPR / CSP / HOFR – Flame Retardant Festoon Cables
- DH+2 – Data Transmission Cables
- Composite Cables For CCTV
- Raiser and Networking Cables
- Nylon Over Coat – PVC – HR Insulated Control Cables.
- Nyvin – Electrical – HI – Temp Power Cables.
- TPR / TPO / TPE / TPV Insulated / Sheathed Industrial Flexible Cables.
- HI – Voltage Industrial Lead – Intemp – HR Cables.

Other types of cables manufactured by us are -

- Electrical Industrial Flexible Wires – XLPE/FRLS/HR PVC/PVC
- Rubber Insulated Super Flexible Cable – TPR/EPR/PCP/CSP/Silicon
- Insulated Flame Proof Cables – Teflon/ Silicon/ Glass/Mica Tapped
- Special Custom made Import Substitute International Standard Cables
- Flexible House Wire Copper Electrical Auto Cables
- Flexible Submersible Motor Pump Cables
- Networking Extension Cables For – DH+2 – Data Highway
- Fibre Glass Braided Electrical cables For HI – Temp Zone
- Silicone Rubber Cables For HR – 250 Deg. C Flame and Heat Zone Area
- Co-Axial Cables For CCTV – CTV - WAN
- Thermocouple Extension Cables For Process Control Compensating
- Drag Chain Cables For Industrial Robotics Control Cables
- Automation Cables For Building, HVAC, Fire, CCTV, Access Control

Manufacturing Process

The basic components for cable manufacturing are conductors (Copper/Aluminum/Alloy), PVC/XLPE, Dielectric Insulation, Inner Sheath, G.I. Wire, Armouring and Outer Sheath.

The manufacturing of cables involves the following steps -

Drawing

Wires are drawn in required sizes as per the specification by using Copper /Aluminum as well as Alloy conductor of required specification.

Annealing

The drawn wires are then softened by heating and slow cooling. This process is called annealing. We have installed an automatic annealing system, which helps us in strengthening the drawn wires.

Stranding

The next step is stranding in which wires are grouped together in order to make the cables more flexible. In this process, smaller individual wires are twisted or bunched together to produce larger number of wires that are more flexible than solid wires of similar size. A thin coat of a specific material is coated, usually tin, on the individual wires, which provides better solder ability.

Insulation

Insulation is a process in which the conductors/cables are covered with material as per the requirement to provide the insulating properties required by the user according to the customer's specification. Cables are manufactured with both thermoplastic and thermosetting insulation, insulated with PVC/PE/XLPE as required by the specification. Insulation for the cables is strictly done and applied

over conductors by extrusion through the electrical process and undergoes the online H.V. Spark tests.

Core rewinding

All insulated cores are rewound to the particular required lengths, passing through the electrical stress test i.e. spark test, which are further processed only after passing through the various physical, electrical and mechanical tests.

Cores stranding and laying process

The next step is stranding, in which insulated wires called cores are grouped together, to make the cables symmetrically round. In this process, smaller individual cores are twisted or cabled together to make larger cores that are round and flexible.

Inner Sheath

Inner Sheath is a process in which the cables are coated to provide the sheathing properties as required by the user. Cables are manufactured with both thermoplastic and thermosetting extrusion. They are sheathed with PVC/PE/XLPE as required by the specification. Sheathing for the cables is strictly done and applied over insulated cable by extrusion through the electrical process and passing through the online H.V. Spark tests.

Cable Armouring

Armouring process is conducted on inner sheathed multi core cables. Galvanized steel wires and flat steel strips are used for protection of internal cores. This process is required for under ground application of electrical power and control cables.

Outer Sheath

Outer sheath is a process in which the cables are coated to provide the sheathing properties required by the user. Cables are manufactured with both thermoplastic and thermosetting extrusion. They are overall sheathed with PVC/PE/XLPE as required by the specification. Sheathing of the cables is strictly done and applied over armoured or un-armoured cabled cores by extrusion, through the electrical process and passing through the online high voltage spark tests.

Testing and Quality Control

The cables are tested as per Indian standard specifications to ensure that the cables are free from all defects.

Raw Materials

The basic raw materials required for manufacturing of cables are copper, aluminum, PVC resin, XLPE, G.I. wire, aluminum tapes, thermo couple wires etc. These raw materials are readily available locally at Daman / Silvassa, where our factory is located.

Raw material procurement policy

We have an established supplier base with whom we have been dealing for years. We have stringent quality control checks before any consignment is accepted in the factory as the quality of raw materials has a direct bearing on the quality of finished products.

Some of our Major Raw Material Suppliers are as follows:-

Copper Wires	-- M/s. Sterlite Industries Ltd.,
Aluminium Wires	-- M/s. Kapil Metal Industries Pvt. Ltd., M/s.Tubas Wire and Conductor Pvt Ltd
Thermocouple Wires	-- M/s. JLC Electromet (P) Ltd, M/s. Rocky International Alloy Conductor
PVC / XLPE Compound	-- M/s. Sakun Polymers Ltd, M/s. Konark Polymer Pvt. Ltd.,

M/s. Kalpana Industries Ltd.

Steel (G.I. Wire / Strips Tapes) -- M/s. Bansal Industries, M/s. Systematic Steel Industries Pvt. Ltd.

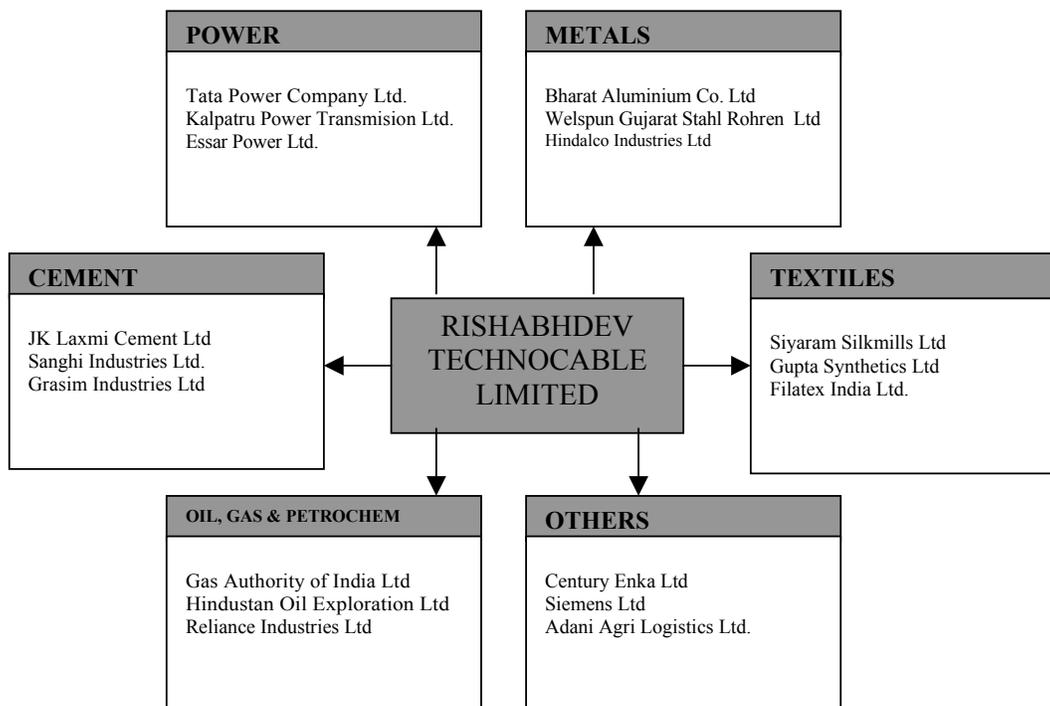
Our quality control department performs the inspection of raw materials received at factory as per the quality control policy. Only conforming materials are received and subsequently released for production. In certain cases where adequate facilities for in-house testing are not available, suppliers are asked to provide test certificates as per prevailing industry standard with guarantee certificate.

Capacity and Capacity Utilization

Our Company manufactures various sizes and types of cables as per the specific requirement of our customers. Same machineries are used for manufacturing these different varieties of cables. Therefore, the capacity can not be quantified in terms of installed capacity. Also, the capacity utilization may vary substantially depending upon the product mix; hence capacity utilization is also not ascertainable

Our Customers

We have a well-diversified revenue stream since we cater to a wide range of industries. Our strong clientel includes leading business houses operating in diverse sectors. Since our clients are spread across various industries, our business is safeguarded against slowdown in any particular industry. The sector wise list of some of our clients with whom we are currently working or have worked in the past are given below:



Manufacturing facilities and utilities

Existing Land / Building

Our existing factory is located at Daman (UT) and the registered and corporate office is located at Goregaon, Mumbai. The factory is spread over approximately 1600 square meters and the registered office is spread over an approximate 111.19 square meters. Our Company acquired land admeasuring approx. 600 square meters at Daman for setting up of Unit II. The construction on the same has started and Unit II and Unit III would be ready by November 2009.

Plant and Machinery

The following is the list of the Plant and Machinery installed at our existing unit:

Sr. No.	Description	Size and Type	Purpose / Process Application	No. of Machines
1	Extrusion M/c	45 MM	For Insulation	4
		65 MM	For Inner Sheath	2
		45 MM	For Insulation	2
		90 MM	For Outer Sheath	3
		65 MM	For Power Cable	2
2	Double Twisted High Speed Bunching Machine	Standard	For Small Cables	6
3	Stranding Machine	1+24	For Small Cables	2
		1+36	For Copper Wires	1
		1+36	For Aluminum Wires	1
		1+36	For Insulated Cores	1
		1+7	For Instrument Cables	4
4	3+1 Power Cable Laying Machine	3+1 Core	For Power Cable	2
5	Foil Tapping M/C	3+7(Hoz)	Tape + Stranding	5
6	Tapping M/C	2 Had	Alu/Cupr Foil Tape	2
7	Armouring M/C	1+36	Wire/Strip Armouring	3
8	Wire Bar Drawing M/C	On Line	For Copper Wires	1
9	Rewinder Machine	Automatc	For CU/Alu/G.I./Cores	21
10	Test Instruments For PVC/XLPE Cables	as Per-IEC	For LT Cables	Set

For details of the machines to be installed pursuant to the ongoing modernization cum expansion plan please refer to the section "Objects of the Issue" beginning on page no. 32 of this Red Herring Prospectus.

Power

At present we have a sanctioned load of 250 KVA from Daman Electricity Department. The entire power requirement is met through it.

Water

Our water requirement is low, as it is required for the cooling process only. We use ground water to meet our water requirements.

Employees

As on April 23, 2009, our Company had a total manpower of 71 personnel including 49 workers on rolls of our Company. We are committed to ensure adequate safety for our workers. The workers are provided with suitable protective equipments.

Marketing

We carry our marketing activity mostly from our corporate office in Mumbai. We primarily cater to needs of industrial users. Our major clients operate in the sectors like Power, Oil and Gas, Petrochemicals, Steel, Cement, Fertilizers and Electrical and Instrumentation EPC contractors. In case of existing customers, enquiries are received from them as a matter of routine procedure.

In case of new customers we approach with our credentials and technical product details. Customers send us their technical queries or specifications covering their monthly or routine requirements, on receipt of which we participate through quotations. If required technical representatives from our company visit the client and explain about the features of our products. If required, the representative from customer's office makes a factory visit, for assessment. On satisfactory report, further process of finalization of orders is carried out.

Competitors

Our Company faces competition from other cable manufacturing companies in the organized as well as the unorganized sector. Some of our competitors in the organized sector are Delton Cables Limited, KEI Industries

Rishabhdev Technocable Limited

Limited, Paramount Communication Cables Limited, Associated Cables Private Limited, Ravin Cables Ltd, Universal Cables Limited, Cords Cable Industries Limited and Torrent Cables Limited.

Intellectual Property

We have made an application (Trademark Application No.1697864) for registration of name “Rishabhdev-Komet” under class 9 dated May 16, 2008.

Insurance Policies

We have taken following insurance policies for our existing operations:

- Stock policy (Standard Fire, Special Perils and Burglary Policy)
- Building, Plant and Machinery etc. (Standard Fire and Special Perils Policy)
- Motor Vehicle Policy
- Personal accident Policy for directors and staff

The above have been taken from Oriental Insurance Company Limited and Reliance General Insurance.

Our Properties

Properties owned by our Company -

Sr. No.	Description of Property	Area	Purpose
1.	Property bearing Survey No. 728/1 situated at Village Dabhel, Nani Daman.	600 square meters	Plant- Unit II
2.	Unit No. 53, 1 st floor, Jagat Satguru Industrial Premises Co-operative Society Ltd.	111.19 square meters	Registered and Corporate Office

Properties acquired pursuant to amalgamation of Komet wire Industries Private Limited with our Company.

Sr. No.	Description of Property	Area	Purpose
1.	Property bearing Survey No. 731/1 situated at Village Dabhel, Nani Daman.	800 square meters	Plant- Unit I
2.	Property bearing Survey No. 730/1 and 730/4 situated at Village Dabhel, Nani Daman.	800 square meters	Pant-Unit I

Properties proposed to be acquired

Sr. No.	Description of Property	Area	Purpose
1.	Property* bearing Survey No.: 60/P situated at Village Karajgam, Dadra and Nagar Haveli, Silvassa	48,000 Square meters	Plant- Unit III

*A Memorandum of Understanding dated June 27, 2008 has been entered into by and between our Company and M/s Haveli Enterprise for the purpose of acquisition of land for Unit III.

KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The summary of regulations set out below is 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. There are no specific regulations in India governing the cable industry.

No penalties have been levied upon our Company in relation to Key Regulations applicable to our Company except for fines and penalties paid by our Company in certain cases for late filing of documents with the Registrar of Companies. The present employees of our Company and the officers thereof in the due course of discharge of their duties take necessary care to comply with the Key Regulations applicable to our Company.

Set forth below are however certain significant legislations and regulations that are generally adhered to by this industry in India:

General

We are a company engaged in the manufacture and trading of various types of cables. Our manufacturing unit/factory is located at Daman and therefore our Company is subject to various statutory legislations in particular environmental and labour regulations.

The following paragraphs detail the major legislations applicable to the business.

Environmental and Labour Regulations

Depending upon the nature of the projects undertaken by our Company, applicable environmental and labour laws and regulations include the following:

1. Factories Act, 1948;
2. Payment of Wages Act, 1936;
3. Payment of Bonus Act, 1965;
4. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
5. Payment of Gratuity Act, 1972;
6. Shops and Commercial Establishments Acts, where applicable;
7. Minimum Wages Act, 1948;
8. Workmen's Compensation Act, 1923;
9. Maternity Benefit Act 1951;
10. Equal Remuneration Act 1979;
11. Industrial Disputes Act 1947;
12. Trade Union Act 1926;
13. Child Labour Prohibition and Regulation Act 1986;
14. Inter-State Migrant workmen's Regulation of Employment and Conditions of Service) Act 1979;
15. The Water (Prevention and Control of Pollution) Act, 1974; and
16. The Air (Prevention and Control of Pollution) Act, 1981.

LABOUR REGULATIONS

1. Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") aims at regulating labour employed in factories. A "factory" is defined as "*any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...*". The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests

on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

2. Payment of Wages Act 1936

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

3. Payment of Bonus Act 1965

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

4. Employees’ Provident Funds and Miscellaneous Provisions Act, 1952

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

6. Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 (“PGA”) was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

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

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

7. Local Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime,

holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

8. Minimum Wages Act, 1948

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

9. Workmen's Compensation Act, 1923

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

10. Maternity Benefit Act 1951

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

11. Equal Remuneration Act 1979

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

12. Industrial Disputes Act 1947

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

13. Trade Union Act 1926

The Trade Union Act 1926 lays down the procedure for registration of trade unions of workmen and employers. The Trade Unions registered under the Act have been given certain immunities from civil and criminal liabilities.

14. Child Labour Prohibition and Regulation Act 1986

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

15. Inter-State Migrant workmen's Regulation of Employment and Conditions of service) Act 1979

The Inter-State Migrant workmen's Regulation of Employment and Conditions of Service) Act 1979 is applicable to an establishment which employs 5 or more interstate migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, traveling expenses from home upto the establishment and back, etc.

ENVIRONMENTAL LEGISLATIONS

16. Water (Prevention and Control of Pollution) Act 1974

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

17. Air (Prevention and Control of Pollution) Act 1981

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

HISTORY AND CORPORATE STRUCTURE

Our Company was incorporated as Rishabhdev Technocable Limited on November 24, 1994 under the Companies Act, 1956 with its registered office at 9, R.N.P House, Azad Road, Gundavli, Andheri (East), Mumbai- 400069, under the guidance and supervision of Shri Bhanwar Lal Golchha, Shri Sunil Golchha and Shri Kamal Chand Golchha being the Promoters of our Company. The main business of our Company, at the time of incorporation, was trading in various types of cables namely electrical cables, instrumentation cables, process control cables and specialty custom made wires and cables.

In June 1997, our Company made an initial public offering of its shares and was listed on the Pune Stock Exchange Limited (“PSE”) and the Jaipur Stock Exchange Limited (“JSE”).

Our Company received Rs. 262.57 lacs after the completion of the IPO in the FY 1997-98. However, by the time the IPO was completed, the Indian economy had slowed down and also due to lack of business opportunities, our Company was unable to set-up the manufacturing facility as contemplated. Therefore, during Financial Year 2001-02, our Company sold some of its Fixed Assets (Capital Work in Progress) for a consideration of Rs. 80.32 lacs and utilized Rs 37.53 lacs towards of acquisition of shares in Komet Wire Industries Private Limited (“KWIPL”), which was engaged in manufacturing of cables, thus giving us a foothold in manufacturing.

On July 25, 2002 our Company acquired 27,500 equity shares of Komet Wire Industries Private Limited, (aggregating to 55% of paid up equity share capital thereof) having its manufacturing facilities at 731/1, 730/1 and 730/4 Vapi Daman Road, Village Dabhel, Daman 396215 (“Unit I”) Daman.. Our Company acquired further 4970 shares of KWIPL as a fresh allotment on March 31, 2003, by which the shareholding our Company in KWIPL increased to 64.94%.

The above mentioned shares were acquired at following consideration by our Company –

Particulars	No. of Shares (Face Value of Rs. 100 each)	Amount Per Share (Rs.)	Total Consideration (Rs. In Lacs)
Investment for acquiring shares from shareholders of Komet Wire Industries Private Ltd.	27,500	118.40	32.56
Investment for Fresh Issue (allotment) from KWIPL	4,970	100	4.97
Total	32,470		37.53

RTCL had acquired 27500 shares from the shareholders of KWIPL at a price of Rs. 118.40 amounting to a total consideration of Rs. 32.56 lacs aggregating to 55% stake in KWIPL. A premium of Rs. 18.40 per share determined by mutual consent of the acquiring company (RTCL) and the transferring shareholders of KWIPL was paid for acquiring a controlling stake in KWIPL. Thus, there was no independent valuer appointed to conduct the valuation.

Subsequently on March 31, 2003 a fresh allotment of 4970 shares were done by KWIPL to RTCL at a consideration of Rs. 100 per share (being face value of share).

Out of remaining 17,530 shares of KWIPL, 11,030 were jointly held by our Company along with our Promoter Mr.Sunil Golchha and balance 6500 equity shares of KWIPL were held jointly by our Company along with Mr.Kamal Golchha. On August 31, 2005 these 17530 shares which were jointly held by our Company and the Promoters were transferred by the Promoters by way of gift to our Company. Thus, KWIPL became a wholly owned subsidiary of our Company. By an order dated October 7, 2005 passed by the Hon’ble Bombay High Court the scheme of amalgamation between our Company and KWIPL was approved w.e.f. April 1, 2004.

Our Company commenced its independent manufacturing activities towards the end of March 2004 with a small set-up in a portion of the factory premises owned by KWIPL. However, simultaneously with the commencement of the said manufacturing facilities a plan for amalgamation of KWIPL with our Company was under consideration. Therefore, the manufacturing activities of our Company were continued to be carried on with the small set-up aforesaid.

With a view to ensuring smooth functioning of the two companies, KWIPL was amalgamated with our Company with effect from April 1, 2004 pursuant to an order dated October 7, 2005 passed by the Hon’ble High Court of Bombay. The amalgamation was carried out under the “Pooling of Interest” method as specified in the Scheme of Amalgamation. Assets & Liabilities of Komet Wire Industries Private Limited were transferred in the books of Rishabhdev Technocable Limited at their book value. Komet Wire Industries Private Limited was

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wholly owned subsidiary of Rishabhdev Technocable Limited, therefore, on amalgamation no shares of Rishabhdev Technocable Limited were issued and also there was no need for carrying out valuations, determining swap ratios and further issuing / allotting shares. The share capital of Komet Wire Industries Private Limited was cancelled i.e. set off against the investments in the shares of KWIPL in the books of our Company. With an intention to expand our manufacturing base, we purchased property bearing Survey No. 728/1 admeasuring approximately 600 square meters situate at Village Dabhel, Nani Daman, Daman in the year 2006, to set-up a state of art unit (“Unit II”) for manufacturing of control cables. We have commenced the construction work of the Unit II and the same shall be completed in the month of December, 2008.

RTCL acquired 27500 shares from the shareholders of KWIPL at a price of Rs. 118.40 amounting to a total consideration of Rs. 32.56 lacs aggregating to 55% stake in KWIPL. A premium of Rs. 18.40 per share determined by mutual consent of the acquiring company (RTCL) and the transferring shareholders of KWIPL was paid for acquiring a controlling stake in KWIPL. Thus, there was no independent valuer appointed to conduct the valuation.

Our Company proposes to set-up another unit at Silvassa (**Unit III**) for manufacturing of Power cables. Our Company has entered into a Memorandum of Understanding dated June 27, 2008 with M/s Haveli Enterprises for the purpose of acquiring approx. 48,000 square meters of land at Silvassa.

Over the years, we have expanded our product range and have added variety of cables like Industrial Control cables, Hi-Tech data cables, Process control instrument signal cables, Thermocouple extension and Compensating cables, Computer application, Hi- Bit rate networking cables, Digital data communication cables, Specialty cables and Customized cables. With the objective of moving up the value chain we identified new opportunities and are now diversifying into Electrical Low Voltage Power cables on a major level. Pursuant to this objective we initiated a modernization cum expansion program in April, 2007.

On February 15, 2008, the registered office of our Company was shifted to Unit No. 53, 1st Floor, Jagat Satguru Industrial Estate, Vishveshwar Nagar Road, Goregaon (East), Mumbai – 400063.

Major events in the History of Our Company

Sr. No.	Major Events	Year
1.	Incorporated as a Public Limited Company and commenced the business of trading in cables	1994
2.	Initial public offering of shares.	1997
3.	Acquisition of Komet Wire Industries Private Limited.	2002
4.	Commencement of manufacturing activities	2004
5.	Amalgamation of Komet Wire Industries Private Limited with our Company.	2005
6.	Receipt of ISO 9001:2000	2006
7.	Acquired Land for setting up Unit II	2006
8.	Change in registered office of our Company Office No.9, R.N.P House, Azad Road, Gondavali, Andheri (East), Mumbai- 400069 to Unit No. 53, 1st Floor, Jagat Satguru Industrial Estate, Vishveshwar Nagar Road, Goregaon (East), Mumbai – 400 063	2008
9.	Memorandum of Understanding for acquisition of land to set up Unit III.	2008

Changes in the Registered Office of our Company

Our Registered office has changed from time to time as set forth below:

Date	Registered Office Address
Since Incorporation	Office No.9, R.N.P House, Azad Road, Gundvali, Andheri (East), Mumbai-400 069.
February 15, 2008	Unit No. 53, 1st Floor, Jagat Satguru Industrial Estate, Vishveshwar Nagar Road, Goregaon (East), Mumbai – 400063

Changes in the Memorandum of Association of our Company

Since Incorporation, the following changes have been incorporated in Memorandum of Association of our Company, after approval of the members:

Sr. No.	Changes	Date	Type of Meeting
1.	Increase in Authorized share capital from Rs.10,00,000/- to Rs.80,00,000/-	March 1, 1995	EGM

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Sr. No.	Changes	Date	Type of Meeting
2.	Increase in Authorized share capital from Rs.80,00,000/ to Rs. 6,10,00,000/-.	April 17, 1997	EGM
3.	Increase in Authorized share capital from 6,10,00,000/- to Rs. 15,00,00,000/-	June 23, 2008	EGM

Our Main Objects:

The main objects of our Company as stated in the Memorandum of Association are:

To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare, import or export or otherwise deal in all kinds of electrical cables, computer application cables, tele-communication cables, both jelly and non-jelly filled, instrumentation cables, fiber glass/ asbestos and teflon insulated and covered wires and cables, optical fiber cables etc.

Subsidiaries of our Company

Our Company does not have any subsidiary.

On July 25, 2002 our Company acquired shares of M/s Komet Wire Industries Private Limited pursuant to which it became our subsidiary. Komet Wire Industries Private Limited was amalgamated with our Company with effect from April 1, 2004 pursuant to an order dated October 7, 2005 passed by the Hon'ble High Court of Bombay thereafter ceased to be our subsidiary.

Shareholders Agreement

There are no Shareholders Agreements amongst the shareholders of our Company.

Other Agreements

Except as stated otherwise in this Red Herring Prospectus and the contracts, which have been entered in regular course of business, there are no other material agreements or contracts, which have been entered into within a period of two years prior to the date of this Red Herring Prospectus, which are subsisting as on date.

Joint Ventures, Strategic Partners, Financial Partners

We do not have any joint ventures, strategic partners or financial partners as on the date of the Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, our Company cannot have less than 3 Directors and more than 12 Directors. Currently, our Company has 6 Directors.

The following table sets forth details regarding our Board of Directors as on the date of filing of this Red Herring Prospectus with SEBI:

Sr No	Name, Fathers' Name, Designation, Age, Address, Occupation and DIN	Date of Appointment and Term of Directorship	Other Directorships
1	Mr. Sunil Golchha, Son of Bhanwar Lal Golchha Chairman and Managing Director, 39 years Flat No. 301, B Wing, Gokul Heights, Thakur Complex, Kandivali (East), Mumbai – 400101. DIN: 00318899 Occupation: Business	Appointed as Managing Director on 1.12.1994.	None
2	Mr. Kamal Chand Golchha, Son of Bhanwar Lal Golchha Executive Director 47 years Flat No. 302, B Wing, Gokul Heights, Thakur Complex, Kandivali (East), Mumbai – 400 101. DIN: 00318953 Occupation: Business	Appointed as Executive Director on 1.12.1994	None
3	Mr. Ashok Khajanchi Son of Gulabchand Khajanchi Independent Director 45 years 302-A, Poonam Darshan Apartment, Navghar Road, Bhayander (East), Thane – 401 105. DIN: 01532044 Occupation: Business	Appointed as a Director on 13.12.2005	None
4	Mr. Amla Prasad Mishra Son of Parashnath Ananth Mishra Independent Director 57 years 5, Jagwanti Muse Rajbahadur Builidng, Mulgaon Dongree, Old Ashram Road, MIDC, Opposite Meltron, Andheri, Mumbai - 400 093. DIN: 02254272 Occupation: Service	Appointed as a Director on 13.12.2005	None
5.	Mr. Prakash Santoshchandra Jain Son of Mr. Santoshchandra Jain Independent Director 49 years H-71, Gautam Appartment, Gunjan Area, 3rd Floor,Gidc, Vapi Valsad, Gujarat-396195 DIN: 01373465 Occupation: Business	Appointed as a Director on October 29, 2007	Venketateshwara Texfav Private Limited
6.	Mr. Sunil Vayalambbron Adiyeri Son of Karunakaran Keezhandi Independent Director 50 years B-6, Park Bay, CST Road, Vidyanagari,	Appointed as a Director on July 7, 2008	None

Rishabhdev Technocable Limited

Sr No	Name, Fathers' Name, Designation, Age, Address, Occupation and DIN	Date of Appointment and Term of Directorship	Other Directorships
	Mumbai - 400098 DIN: 02264588 Occupation: Service		

Brief Profile of the Directors

Mr. Sunil Golchha is the Chairman and Managing Director of our Company with more than 20 years of experience in the cable industry. He has passed 9th standard from Jain High School, Bikaner, Rajasthan. He started his career in 1987 in the cable industry with M/s. Udey Pyrocables Private Limited, a cable manufacturing company. In the year 1992-93, he entered into a partnership for trading in cables in the name and style of M/s ECI Cables Corporation. He has been instrumental in the growth of our Company and is responsible for the implementation of its projects.

Mr. Kamal Chand Golchha is a Director of our Company having more than 20 years of experience in the cable and mining industry. He is a high school graduate from Jain High School, Bikaner, Rajasthan. He carried on business of mining and minerals in the name of his own proprietary firm - M/s. Kiran Sales Corporation in the year 1987. He was also associated with M/s. ECI Cables Corporation. At our Company he oversees the production facilities and the operations at our Daman facilities.

Mr. Ashok Khajanchi is an Independent Director of our Company. He holds a Masters degree in Commerce from the University of Rajasthan and also holds an LLB degree from Dungar Collage, Bikaner, Rajasthan. He has over 20 years of experience in the diamond industry and runs a family owned diamond trading business in Rajasthan. He advises our Company on various legal matters.

Mr. Amla Prasad Mishra is an Independent Director of our Company. He has passed 9th standard from UP Baderi High School, Jaunpur, Uttar Pradesh. He was previously associated with Ashlesha Export Pvt. Ltd. where he was responsible for the administration and supervision of its production facilities. He advises our Company on various strategic decisions.

Mr. Sunil Vayalamban Adiyeri is an Independent Director in Rishabhdev Technocable Limited. He holds a Bachelors degree in Commerce from the Mumbai University and has also successfully completed the CAIIB. Mr. Sunil Adeyari was previously employed with IDBI Limited where he served for more than 2 decades. He was designated as Deputy General Manager in IDBI Limited. He has vast experience in the field of corporate finance and project appraisal. He was involved in re-structuring of debt instruments, resource mobilisation and debt servicing in respect of privately placed bonds. He is also experienced in merchant banking and corporate advisory services.

Mr. Prakash Santoshchandra Jain is an Independent Director of our Company. He is a high school graduate from Malwa School, Indore, Madhya Pradesh. He was previously associated with M/s. ECI Cables Corporation where he was responsible for the administration and marketing of cables. He advises our Company on various strategic decisions in development of new areas of expansions.

Borrowing Powers

Pursuant to a resolution passed by the shareholders in accordance with the provisions of section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting held on February 25, 1995 our Board has been authorized to borrow sums of money for the purposes of our Company on such terms and conditions and with or without security as the Board of Directors may think fit, provided that the money or monies borrowed together with the monies already borrowed by our Company does not exceed, a sum of Rs. 6000 lacs.

Compensation to Chairman / Managing Directors / Wholetime Directors

The remuneration of our Managing Director, Mr. Sunil Golchha, is Rs. 1,75,421/- per annum with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, not exceeding the limits specified under schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof. The remuneration aforesaid is approved by a resolution in meeting of the Board of Directors held on September 20, 2006 which was subsequently ratified by the Shareholders in the Extra Ordinary General Meeting held on October 30, 2006.

The remuneration of our Director Operations, Mr. Kamal Chand Golchha, is Rs. 1,75,421/- per annum with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, not exceeding

the limits specified under schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof. The remuneration aforesaid is approved by a resolution in meeting of the Board of Directors held on September 11, 2006 which was subsequently ratified by the Shareholders in the Extra Ordinary General Meeting held on December 1, 2006.

Corporate Governance

The listing agreements entered into with PSE and JSE are applicable to our Company. Our Company has taken all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopted the corporate governance code as per Clause 49 of the Listing Agreement entered into with PSE and JSE. Our company has received a letter from the Jaipur stock exchange on July 11, 2008 stating that the company is regular in complying with the provisions of the listing agreement. The company also received a letter from Pune stock exchange on July 9, 2008 stating that there are no pending compliances to be made by the company. Our Company has complied with the provision of listing agreement and the stock exchanges have not initiated any action against our Company. Our Company undertakes to enter into a listing agreement with BSE. In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following committees of the Board:

- (a) Audit Committee;
- (b) Shares and Bonds Transfer Committee;
- (c) Remuneration Committee; and
- (d) Investor Grievance Committee.

(a) Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act and clause 49 of the Listing Agreement. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on January 25, 2006.

In terms of the said Resolution, the Committee consists of 3 members:

- (i) Mr. Ashok Khajanchi, Chairman
- (ii) Mr. Sunil Golchha; and
- (iii) Mr. A.P. Mishra;

The terms of reference of the Audit Committee are as follows:

A. Powers of Audit Committee

The Audit Committee has the following powers:

- 1) To investigate any activity within its terms of reference.
- 2) To seek information from any employee.
- 3) To obtain outside legal or other professional advice.
- 4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of Audit Committee

The role of the audit committee is as follows:

- 1) Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement of removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit finding.
 - e. Compliance with listing and other legal requirements relating to financial statements.

- f. Disclosure of any related party transactions.
 - g. Qualification in the audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control system.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with statutory auditors before any significant findings and follow up there on.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 15. Monitoring of utilization of Issue proceeds

C. **Review of information by Audit Committee**

The Audit Committee shall review the following information:

1. Management discussion and analysis of financially condition and results of operation;
2. Statement of significant related party transactions submitted by management;
3. Management letters/letters of internal control weakness issued by the statutory auditors;
4. Internal audit reports relating to internal control weakness: and
5. The appointment, removal and terms of remuneration of the Chief internal auditor; shall be subject to review by the Audit Committee.

(b). **Shares and Bonds Transfer Committee**

Our Company has constituted a Shareholders Grievance Committee. The constitution of the aforesaid Committee was approved by a meeting of the Board of Directors held on January 28, 2003 The Committee consists of members:

- (i) Mr.Sunil Golchha; and
- (ii) Mr.Kamal Chand Golchha

(c). **Remuneration Committee**

Our Company has constituted the Remuneration Committee. The Remuneration Committee has been formed to decide and approve the terms and conditions for appointment of executive directors and/ or whole time directors and remuneration payable to other directors and matters related thereto. The constitution of the committee was approved by a meeting of the Board of Directors held on January 25, 2006. The Committee consists of the following members:

- (i) Mr. Ashok Khajanchi, and
- (ii) Mr. A.P.Mishra

The Remuneration Committee will determine on behalf of the Board, with agreed terms of reference, the remuneration packages for executive directors including pension rights and any compensation payment and to do such other acts, deeds and things as are necessary for or incidental to the carrying out of any of the above functions.

(d). Investor Grievance Committee

Our Company has constituted a Shareholders Grievance Committee. The constitution of the aforesaid Committee was approved by a meeting of the Board of Directors held on January 25, 2006. The Committee consists of 3 members:

- (i) Mr. Sunil Golchha;
- (ii) Mr. A.P. Mishra; and
- (iii) Mr. Ashok Khajanchi, Chairman

Since its inception, the Investor Grievance Committee of the Board of Directors of our Company has held 13 meetings and the dates on which such meetings were scheduled have been listed below:

- (i) January 25, 2006
- (ii) April 30, 2006
- (iii) July 29, 2006
- (iv) October 29, 2006
- (v) January 25, 2007
- (vi) April 30, 2007
- (vii) July 29, 2007
- (viii) October 29, 2007
- (ix) January 25, 2008
- (x) April 30, 2008
- (xi) July 29, 2008
- (xii) October 29, 2008
- (xiii) January 27, 2009

The Investor Grievance Committee meets periodically, as specified above, to review the status of the investor complaints and manage requests relating to transfer of shares, rematerialisation and dematerialisation of shares. The Investor Grievance Committee is also responsible for reviewing the MIS Report of the Registrar as well as the Secretarial Audit Report for the relevant previous quarter.

Our Company shall also comply with Clause 43 of Listing Agreement as under –

- (1) to furnish to the stock exchange(s) on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds of this Issue from the objects stated in the RHP.
- (2) to furnish the information mentioned in sub-clause (1) to the stock exchange(s) along with the interim or annual financial results submitted under clause 41 of listing agreement and to publish in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of clause 49 of listing agreement.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 are applicable to our Company. We have complied with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares. Further, Board of Directors have approved and adopted the policy on insider trading.

Code of Conduct for Directors and Senior Management Personnel

Our Board of Directors have approved and adopted the Code of Conduct for Directors and senior management personnel.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. However share holding of our Directors is as under:

S. No.	Directors	No. of Equity shares
1.	Mr. Sunil Golchha	7,10,790
2.	Mr. Kamal Chand Golchha	2,62,010
3.	Mr. Ashok Khajanchi	10

Rishabhdev Technocable Limited

4.	Mr. Amla Prasad Mishra	NIL
5.	Mr. Prakash Santoshchandra Jain	1,00,000
6.	Mr. Sunil Vayalamb Bron Adeyari	NIL

Interest of Directors

All the Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meeting so of the board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association. All the Directors may also be deemed to be interested to the extent of equity shares, if any, already held by or that may be subscribed for and allotted to them or to the companies, firms and trusts, in which they are interested as directors, members, partners and/or trustees, out of the present offer and also to the extent of any dividends payable to them and other distributions in respect of the said equity shares. All Directors may be deemed to be interested in the contracts, agreements/arrangements 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 partners as declared in their respective declarations.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our company other than in the normal course of business.

Further except as stated under the heading "Statement of Transactions with Related Parties" under the section titled "Financial Statement" on page no. 88 of this Red Herring Prospectus, the Directors do not have any other interest in the business of our Company.

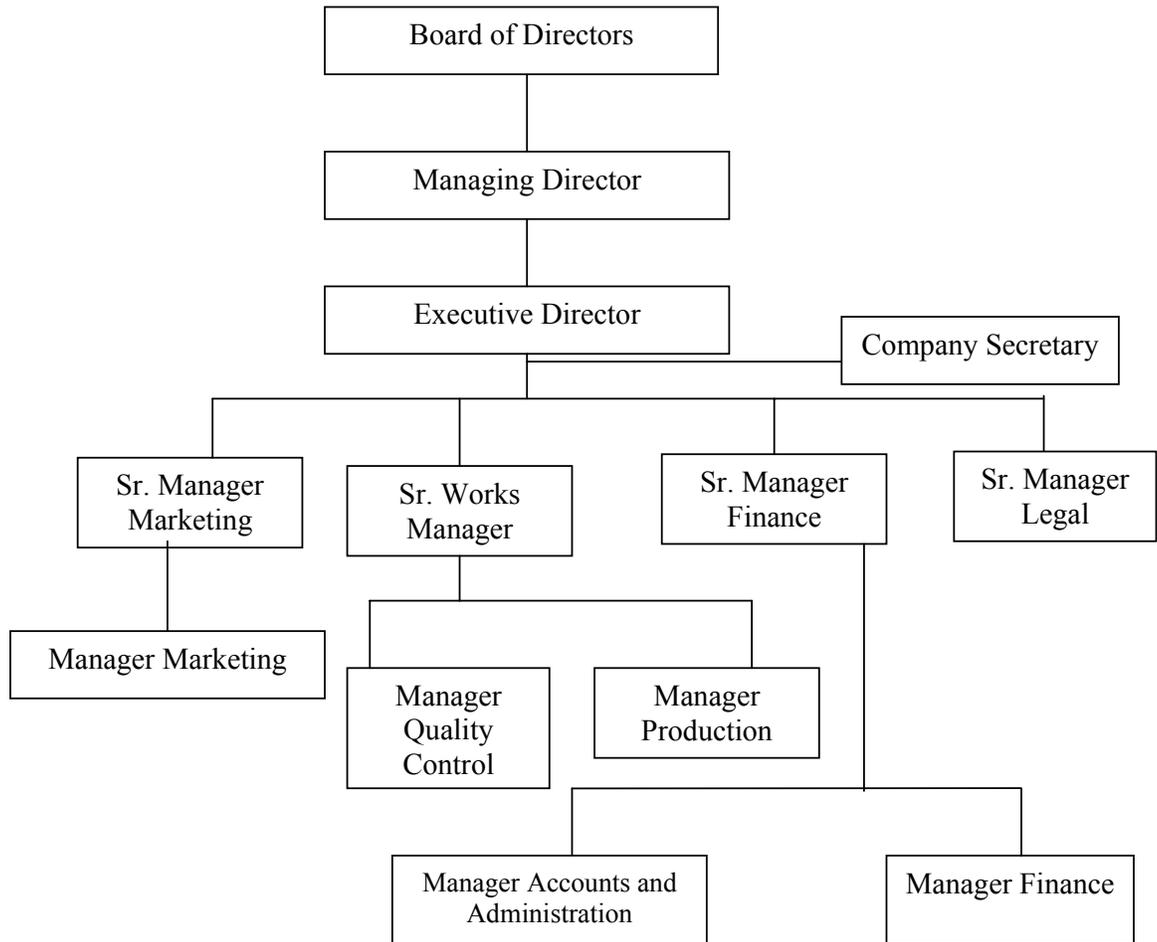
Changes in our Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Sr. No.	Name	Date of change	Reason
1.	Bhanvar Lal Golchha	December 13, 2005	Retired on account of personal reasons
2.	Ashok Khanjchi	December 13, 2005	Appointed
3.	Amla Prasad Mishra	December 13, 2005	Appointed
4.	Prakash Santoshchandra Jain	October 29, 2007	Appointed
5.	Sunil Vayalamb Bron Adiyeri	July 7, 2008	Appointed

ORGANISATIONAL CHART

Our Organizational structure is as follows:



KEY MANAGERIAL PERSONNEL

All of our key managerial employees are in whole time employment of our Company. Following are our key managerial employees other than our whole time directors:

1) **Mr. Ranabir Sanyal, Company Secretary**, aged 24 years, is our Company Secretary and Compliance Officer of our Company. He joined our Company in March, 2009. He is incharge of maintaining the secretarial records and compliances under various statutes. The gross remuneration paid to Mr. Ranabir Sanyal is Rs.3,00,000/- p.a.

2) **Ms. Pooja Parekh, Company Secretary**, Post Graduate in Commerce, aged 23 years, is the Senior Manager Legal of our Company. She joined our Company in February 2009. She is incharge of maintaining the legal affairs of our Company. The gross remuneration paid to Ms. Pooja Parekh is Rs. 2,40,000/- p.a.

3) **Mr. Deepak Ashani**, aged 23 years, is the Senior Manager Finance of our Company. He joined our Company in the year 2005. He is incharge of the maintaining the accounts of our Company at its Daman Unit. The gross remuneration paid to Mr. Deepak Ashani is Rs.66,000/- p.a.

4) **Mr. Bharat Thakkar**, aged 39 years, is Senior Work Manager-Quality Control of our Company. He holds a Diploma in Electrical Engineering, Technical Education Board, Gujarat. He has been working with our Company since 2001. He was previously employed with Fixolite Wires and Cables Private Limited as Quality Control and Testing Engineer and Sigma Electricals as Project Manager. The gross remuneration paid to Mr. Bharat Thakkar is 1,20,000/- p.a.

5) **Mr. Vipul Duduskar**, aged 26 years, is the Senior Manager- Marketing of our Company. He is an MBA from London, UK. He has joined our Company in April 2009. He is in charge of designing marketing strategies for our Company. The total remuneration paid to Mr. Vipul Duduskar is Rs. 2,00,000/- p.a.

6) **Mr. Mohit Khajanchi**, aged 24 years, is the Manager Marketing of our Company. He is an MBA and joined our Company in the January 2009 as Assistant Manager Marketing & was later promoted to Manager. The gross remuneration paid to Mr. Mohit Khajanchi is Rs. 1,80,000/- p.a.

7) **Mr. Prashant Sur**, aged 33 years, is of Manager-Quality Control of our Company. He holds a B. Com Degree. The gross remuneration paid to Mr. Prashant Sur is Rs.90,000/-p.a. He joined our Company on September 1, 2008.

8) **Mr. Sushil Maroo**, aged 47 years, is Manager Production of our Company. He was previously employed with ECI Sales Corporation as Marketing Manager. He has been associated with our Company since its incorporation. The gross remuneration paid to Mr. Sushil Maroo is Rs. 84,000/- p.a.

9) **Mr. Pradeep Patel**, aged 29 years, is the Manager Finance of our Company. He is commerce and law graduate from the University of Surat. He joined our Company in August, 2005. He was previously employed with Hira Polypack and Auto-Tuf Safety Glass. The gross remuneration paid to Mr. Pradeep Patel is 96,000/- p.a.

10) **Mrs. Janhvi Patil**, aged 25 years, is the Manager-Accounts & Administration of our Company. She joined our Company in March, 2009. She has worked with various companies in the past & has held various Posts in the field of Accounts. The gross remuneration paid to Mrs. Janhvi Patil is Rs.1,08,000/- p.a.

11) **Miss. Yogita Parshuram Ghag**, aged 22 Years, is the Purchase Officer of our Company. She joined our Company in April, 2009. She has worked with Technocraft Steel Ind. Ltd, in the Purchase Department. The Gross remuneration paid to Miss. Yogita Ghag is Rs. 72,000/- p.a.

Notes:

1. All the key managerial personnel mentioned above are permanent employees of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited.

Shareholding of Key Managerial Personnel

None of the Key Managerial Employees named above hold any Equity Shares in our Company as on the date of the Red Herring Prospectus.

Changes in the Key Managerial Personnel during last 3 years

Following have been the changes in the key managerial personnel during the last three years:

Sr. No.	Name	Date of Joining	Date of Leaving	Designation
1.	Mr. Viraj Sanjiva Shetty	March, 2007	November, 2008	Manager – Accounts and Administration
2.	Mr. Vikas Pandey	January, 2007	March, 2009	Senior Manager Marketing
3.	Mr. Deepak Ashani	August, 2005	-	Senior Manager-Finance
4.	Mr. Pradeep Patel	August, 2005	-	Manager Finance
5.	Ms. Komal Deshmukh	July, 2008	November, 2008	Company Secretary
6.	Mr. Ganesh Asani	December 2001	December, 2008	Manager –Marketing
7.	Mr. Pradeep Kumar Singh	December 2003	December, 2008	Senior Works Manager
8.	Mr. Prashant Sur	September, 2008	-	Manager- Quality Control
9.	Mr. Mohit Khajanchi	January, 2009	-	Asst. Manager- Marketing
10.	Ms. Pooja Parekh	February, 2009	-	Senior Manager- Legal
11.	Mr. Ranabir Sanyal	March, 2009	-	Company Secretary and Compliance Officer
12.	Mrs. Janhvi Patil	February, 2009	-	Manager Accounts and Administration
13.	Mr. Vipul Duduskar	April, 2009	-	Senior Manager-Marketing
14.	Ms. Yogita Ghag	April, 2009	-	Purchase Officer

Bonus or Profit Sharing Plan

There is no fixed or certain bonus or profit sharing plan for the Key Managerial Personnel.

Employees

As on April 23, 2009 our work force consisted of approximately 71 employees. For more details about our employees please refer to section titled “Our Business” on page no. 57 of this Red Herring Prospectus.

ESOP/ESPS Scheme to Employees

Presently, we do not have ESOP/ESPS scheme for employees.

Payment or benefit to our officers

Except for payment of monetary and non-monetary benefits in accordance with the terms of employment/ engagement and the dividend, if any, that may have been declared on the Equity Shares held by our officers, we have not paid any amount or given any benefit to any officer of our Company, nor is such amount or benefit intended to be paid or given to any officer as on the date of filing this Red Herring Prospectus with SEBI.

OUR PROMOTERS AND PROMOTER GROUP



Mr. Sunil Golchha, aged 39 years, is the Managing Director of our Company. He has more than 20 years of experience in the field of cable industry. He started his career in 1987 in the cable industry with Udey Pyrocables Private Limited a cable manufacturing company. In the year 1992-93, he started his own partnership firm in Mumbai in the name and style of M/s ECI Cables Corporation for trading and supply of various types of cables. He has been instrumental in the growth of our Company and is responsible for marketing and implementation of various projects.

PAN No. : AADPG1485A
 Voter ID Card : Nil
 Driving License Number : MH/02/-97-71425



Mr. Kamal Chand Golchha, aged 47 years, is a Wholetime Director of our Company, having more than 20 years of experience in the cable and mining industry. He started his own proprietary firm in the name of M/s. Kiran Sales Corporation in the year 1987, which was into the business of mining and minerals. He was also associated with M/s. ECI Cables Corporation. He oversees the operations conducted at Daman units and manages the production facilities of our Company. Our Company has benefited immensely from his enrich experience in the field of manufacturing and trading of cables.

PAN No. : AADPG2684H
 Voter ID Card : Nil
 Driving License Number : MH/02/2002-7406



Mr. Bhanwar Lal Golchha aged 80 years is the Promoter of our Company. He has experience in the field of administration and management of human resource and has benefited our Company immensely. He is also assisting our Company by giving valuable guidance in its overall business strategies.

PAN No. : AKDPG0831G
 Voter ID Card : RJ/02/013/213217
 Driving License Number : Nil

We confirm that the permanent account number, bank account number and passport number of aforesaid promoters will be submitted to the BSE, PSE and JSE at the time of filing the Red Herring Prospectus with them.

PROMOTER GROUP

In terms of 6.8.3.2 Explanation II of the SEBI (DIP) Guidelines, the following persons form part of our Promoters' Group.

1. Natural persons forming part of our Promoter Group (due to relationship with the Promoters)

Relationship	Promoters who are individuals		
	Bhanwar Lal Golchha	Kamal Chand Golchha	Sunil Golchha
Father	-	Bhanwar Lal Golchha	Bhanwar Lal Golchha
Mother	-	Kiran Devi Golchha	Kiran Devi Golchha
Brother	-	Sunil Golchha	Kamal Chand Golchha
Sister	-	Aruna Devi Sethia Santosh Devi Anchalia	Aruna Devi Sethia Santosh Devi Anchalia
Sisters Husband	-	Mahindra Sethia Anil Anchalia	Mahindra Sethia Anil Anchalia
Spouse	Kiran Devi Golchha	Pushpa Devi Golchha	Shanti Devi Golchha
Children	Kamal Chand Golchha	Kanta Golchha (Daga)	Rishabh Golchha

Rishabhdev Technocable Limited

	Sunil Golchha Aruna Sethia Santosh Anchalia	Shanti Golchha (Daga) Pinki Golchha Jyoti Golchha (Kothari)	Adinath Golchha Adishwar Golchha
Spouse's Father	Karnidan Bothra	Manmal Bardia	-
Spouse's Mother	Kanchan Bothra	Badhu Devi Bardia	Icharaj Devi Singhi
Spouse's Brother	-	Revet Mal Baradia Dhiraj Kumar Baradia Hansraj Baradia Jaichand Baradia Pukhraj Baradia	Santosh Singhi Dhiraj Kumar Singhi
Spouse's Sister	-	Sharmilla Vimal Kochar	Rupa Hansraj Bothra Raju Surendra Chopra Sanju Tejpal Baid Anju Mukesh Gulgulia Sudha Sandip Gulgulia

2. In case Promoter is a company

Our Company has no Promoter, which is a company.

3. In case the Promoter is an Individual

Relationship	Bhanwar Lal Golchha	Kamal Chand Golchha	Sunil Golchha
Any company in which 10% or more of the share capital is held by the promoter or a firm or HUF in which the promoter or any one or more of his immediate relatives is a member	NIL	NIL	NIL
Any company in which a company (mentioned above) holds 10% or more of the equity share capital	NIL	NIL	NIL
Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total holding	NIL	NIL	NIL

4. All persons whose shareholding is aggregated for the purpose of disclosing in this RHP under the heading "Shareholding of the Promoter Group":

S. No.	Name	Nature of Relationship with Promoter	S. No.	Name	Nature of Relationship with Promoter
1.	Alfred Arambhan	Friend	20.	Navin Baradia	Cousin
2.	Alka R Chandak	Friend	21.	Nemchand Banthia	Friend
3.	Ashok Puglia	Cousin	22.	Puneet Tiwari	Friend
4.	Devdit Fernandesh	Friend	23.	Ramakant Singh	Friend
5.	Dhanraj Golchha	Friend	24.	Rakesh Sharma	Friend
6.	Dinesh Doshi	Friend	25.	Ratanlal Puglia	Cousin
7.	Firangi Singh	Friend	26.	Ratan lal Navlalha	Cousin
8.	Gautam Singh Baid	Uncle	27.	Sampat Lal Daga	Friend
9.	Gopal Dhalumal	Friend	28.	Sarita Baid	Cousin
10.	Hanuman Singhi	Cousin	29.	Seloo Baradia	Friend
11.	Hirachand Golchha	Uncle	30.	Shanti Lal Puglia	Cousin
12.	Jignesh Satra	Friend	31.	Shelendra Baradia	Friend
13.	Jin Raj Golchha	Cousin	32.	Surendra Kumar Banthia	Friend
14.	Kailash Chand Gupta	Friend	33.	Surendra S Baid	Uncle
15.	Kirti Nidhi Dhandh	Friend	34.	Vijay K Gupta	Friend
16.	M.C. Dalal	Friend	35.	Vijay Sharma	Friend
17.	Meena C. Patel	Friend	36.	Vijay Singh Baid	Cousin
18.	Mohan Lal Singhi	Uncle	37.	Vakharia Consultancy	Ex Advisor

19.	Nalini Arambhan	Friend	38.	Pinki K Jain	Cousin
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(ii) Body Corporates

Except as stated elsewhere in this Red Herring Prospectus, there are no body corporates forming part of the Promoter Group.

Common Pursuits

The Promoters/any member of Promoters Group do not have interest in any venture that is involved in any activities similar to those conducted by our Company.

Interest of Promoters

The Promoters of our Company are interested to the extent of their shareholding in our Company and the dividend they are entitled to receive, if declared, by our Company. Further, our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further except as stated otherwise stated in section titled “Financial Statement” under the heading “Statement of Transactions with Related Parties” on page no. 107 of this Red Herring Prospectus, the promoters do not have any other interest in the business of our Company.

Payment or Benefit to Our Promoter

For details of payments or benefits paid to our promoters, please refer to paragraph “Compensation to Chairman / Managing Directors / Whole time Directors”, “Interest of Promoter” and “Statement of Transactions with Related Parties” beginning on page no. 107 respectively of this Red Herring Prospectus.

Dissociation Details

Except as stated herein, none of the promoters have disassociated themselves from any of the Companies/ firms during preceding three years. Our Company had acquired Kometwire Industries Private Limited in the year 2002 and become a wholly owned subsidiary in the year 2005. Kometwire Industries Private Limited was subsequently amalgamated with our Company pursuant to an order passed by the Hon’ble Bombay High Court with effect from April 1, 2004.

Related Party Transactions

For details on related party transactions refer to “Statement of Transactions with Related Parties” under the section titled “Financial Statements” beginning on page no. 107 of this Red Herring Prospectus.

Currency of presentation

In this Red Herring Prospectus, unless the context otherwise requires, all references to the word “Lacs” or “Lac”, means “One hundred thousand” and the word “million” means “Ten lacs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million and the word “trillion” means “One thousand billion”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout this Red Herring Prospectus, all the figures have been expressed in lacs of Rupees, except when stated otherwise. All references to “Rupees” and “Rs.” in this Red Herring Prospectus are to the legal currency of India.

Dividend Policy

Dividends may be declared at the Annual General Meeting of the shareholders based on a recommendation by our Board of Directors. Our Articles of Association provide that the dividend declared by the shareholders at the Annual General Meeting shall not exceed the amount recommended by the Board of Directors. Our Board of Directors may recommend dividends, at their discretion, to be paid to the members. Generally, the factors that may be considered by our Board, but not limited to, before making any recommendations for the dividend include future expansion plans and capital requirements, profits earned during the financial year, cost of raising funds from alternate sources, liquidity, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and money market conditions.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS REPORT

The Board of Directors

Rishabhdev Technocable Limited

Unit No. 53, 1st Floor, Jagat Satguru Industrial Estate

Vishveshwar Nagar Road

Goregaon (East)

Mumbai – 400 063

Subject: Your Proposed Follow on Public Issue

Dear Sirs,

I have examined the financial information of Rishabhdev Technocable Limited ('Company') annexed to this report which has been prepared in accordance with the requirements of:

- i) Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('Act'), and the amendments thereof;
- ii) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (the Guidelines) issued by the Securities and Exchange Board of India ('SEBI') and amendments made thereto from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
- iii) The instruction received from the Company requesting to examine the financial information referred to above and proposed to be included in the offer document of the Company in connection with its proposed Follow-on Public Offer ('FPO').

Financial Information of the Company

1. I have examined the attached statement of Restated Assets & Liabilities of the Company as at 31st March 2004, 2005, 2006, 2007, 2008 & for the 9 month period ended 31st December 2008 (Annexure - I) & accompanying statement of Restated Profit and Loss of the Company for the financial years ended 31st March, 2004, 2005, 2006, 2007, 2008 & 9 months ended 31st December 2008 (Annexure – II) as prepared by the Company and approved by the Board of Directors. These statements reflect the assets and liabilities and Profit and Losses for each of the relevant years and period as extracted from the balance sheet and profit and loss account for those years. For our examination, I have placed reliance on the financial statements audited by M/s. L.K. Dangi & Co. for the financial year 2003-04, 2004-05 & 2005-06, By myself for the financial year 2006-07 and jointly audited with M/s Banshi Jain & Associates for the financial year 2007-08 and for the 9 month period ended December 31st, 2008 audited by myself. These financial statements for all the years have been approved by the Board of Directors of the Company and adopted by the members of the Company for the respective years. The Restated financial statements have been made after making such adjustment and regroupings as in our opinion are appropriate and are described fully in the Notes appearing in Annexure III to this report.
2. Based on our examination of these summary statements I confirm that:
 - The accounting policies applied as at March 31, 2008 and also for each of the years ended March 31, 2007, 2006, 2005, 2004 and 9 month period ended 31st December 2008 are materially consistent with the existing Accounting Standards. There has been no change in the accounting policies over these years, therefore no adjustments on account of change in accounting policies are required in the audited financial statements for the years presented.
 - The Restated financial statements have been prepared taking into consideration scheme of amalgamation sanctioned by the Hon'ble High Court of Bombay vide its order dated 7/10/2005. The scheme is effective from April 1, 2004. The Company had followed Accounting Standard-14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India while amalgamating Komet Wire Industries Private Limited with itself. The amalgamation was carried out under the "Pooling of Interest Method" as specified in the scheme of

amalgamation. The adjustment carried out on account of the same are described in para 2 of Notes to adjustment carried out in Restated Financial Statements appearing in Annexure III.

- The Restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate in the year to which they are related as described in para 3 of Notes to adjustment carried out in Restated Financial Statement appearing in Annexure III.
 - There was no qualification in the audit reports issued by the statutory auditor for the year ended March 31, 2004, 2005, 2006, 2007, 2008 and 9 months period ended 31st December 2008, which would require adjustment in these Restated Financial Statements
 - These financial statements are in conformity with Clause 6.10.2.7 of the SEBI (DIP) guidelines; and
3. I have examined the Statement of Dividend paid by the Company on equity shares in respect of the financial years ended March 31, 2004, 2005, 2006, 2007, 2008 as disclosed in Annexure V. I confirm that the Company has no other class of issued and paid-up shares during those years.
4. I have also examined the following financial information relating to the Company prepared by the management and approved by the Board of Directors for the purpose of inclusion in the Offer Document:
- Details of Other Income as appearing in Annexure VI to this report.
 - Accounting Ratios as appearing in Annexure VII to this report.
 - Capitalization Statement as appearing in Annexure VIII to this report.
 - Statement of Tax Shelters as appearing in Annexure IX to this report.
 - Statement of Secured Loans as appearing in Annexure X to this report.
 - Statement of Unsecured Loans as appearing in Annexure XI to this report.
 - Details of Investments as appearing in Annexure XII to this report.
 - Details of Debtors as appearing in Annexure XIII to this report.
 - Details of Loans and Advances as appearing in Annexure XIV to this report.
 - Details of Contingent Liabilities & Capital Commitments as appearing in Annexure XV to this report.
 - Details of Related Party, Relationship and Transactions and Significant Transaction with related parties as appearing in Annexure XVI to this report.
 - Cash Flow Statement as restated as appearing in Annexure XVII to this report.

In our opinion the above financial information of the Company read with Significant Accounting Policies attached in Annexure IV to this report, after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of the Schedule II of the Act and the DIP Guidelines issued by SEBI, as amended from time to time subject to and read with other notes.

This report should not be in any way constructed as a re-issuance or re-dating of any of the previous audit reports issued by us or other statutory auditor, nor should this report be construed as a new opinion on any of the financial statements referred therein.

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

Thanking you,

For M/s. Bharat J. Rughani & Co.
Chartered Accountants

Sd/-

Proprietor: Bharat J. Rughani
Membership No: 40543

Place: Mumbai
Date: April 25, 2009

ANNEXURE – I

Restated Assets & Liabilities Statement

(Rs. In Lacs)

Particulars	For the year ending March 31						For the period of 9 months ended 31-Dec
	2004	2005	2006	2007	2008	2008	
Fixed Assets							
Gross Block	58.62	200.05	261.16	338.98	632.38	662.02	
Less: Depreciation	18.87	36.69	48.09	59.89	82.76	106.62	
Net Block	39.75	163.36	213.07	279.09	549.62	555.4	
Capital Work in progress	99.53	-	7.64	10.72	170.88	552.41	
Sub Total (A)	139.28	163.36	220.71	289.81	720.5	1107.81	
Investments (B)	80.39	-	-	-	-	-	
Current Assets, Loans and Advances							
Inventories	30.03	181.36	224.45	257.29	485.12	467.97	
Sundry Debtors	58.39	120.04	250.33	359.87	842.79	1006.96	
Cash and Bank balances	4.78	19.1	2.7	5.27	23.22	14.42	
Loans and Advances	66.11	30.04	39.16	46.75	115.45	152.77	
Sub Total (C)	159.31	350.54	516.64	669.18	1466.58	1642.13	
Sub Total (A+B+C)	378.98	513.9	737.35	958.99	2187.08	2749.94	
Less: Loans and Liabilities							
Secured Loans	38.17	103.77	129.11	238.05	468.62	444.6	
Unsecured Loans	-	14.76	11.03	3.56	378.04	17.44	
Current Liabilities and Provisions	3.46	28.48	163.21	154.07	389.43	331.09	
Deferred Tax Liability	8.42	20.81	20.81	20.81	20.81	20.81	
Sub Total (D)	50.05	167.81	324.16	416.49	1256.9	813.93	
Net Worth (A+B+C-D)	328.93	346.08	413.19	542.5	930.18	1,936.01	
Represented by							
Equity Share Capital	324.42	324.42	333.71	381.86	568.91	568.91	
Reserves and Surplus	11.38	27.93	85.02	165.47	365.35	650.3	
Share Application Money	-	-	-	-	-	721	
Less: Miscellaneous Expenditure not written off	6.87	6.27	5.54	4.83	4.08	4.2	
Net Worth	328.93	346.08	413.19	542.5	930.18	1936.01	
Details for Reserves and Surplus							
General Reserve	3	3	3	3	3	3	
Profit and Loss Account	8.38	24.93	82.02	162.47	362.35	647.3	
Total	11.38	27.93	85.02	165.47	365.35	650.3	

ANNEXURE – II

Restated Statement of Profit & Loss Account

Particulars	For the year ending March 31					(Rs. In Lacs)
	2004	2005	2006	2007	2008	For the period of 9 months ended December 31 2008
Income						
Net sales	93.82	346.21	910.61	1052.85	3108.94	3265.99
- Revenue From Sale of Manufactured Goods	-	346.21	910.61	1052.85	3108.94	3265.99
- Revenue From Traded Products	93.82	-	-	-	-	-
Other Income	7.10	4.24	2.43	7.15	23.26	18.06
Increase / (Decrease) in Stock	(24.98)	42.34	79.43	(18.96)	107.42	(33.58)
Total	75.95	392.78	992.47	1041.04	3239.63	3250.47
Expenditure						
Raw Material consumed / Purchases	55.27	296.76	822.72	842.32	2766.70	2768.67
Employee Expenses	3.09	17.84	23.07	20.88	31.23	30.55
Manufacturing Expenses	-	17.26	24.67	25.27	32.40	34.77
Administration Expenses	7.55	24.90	26.51	19.51	40.51	41.58
Interest & Bank Charges	5.97	15.49	18.94	24.23	41.04	35.05
Depreciation	3.03	8.14	11.40	14.90	25.68	23.85
Preliminary Expenses W/off	0.85	0.73	0.73	0.73	0.73	0.00
Total	75.75	381.11	928.03	947.84	2938.28	2934.48
Net Profit before tax and extraordinary items	0.20	11.67	64.43	93.20	301.35	315.99
Less: Provision for Taxation (Including for Current Tax, Deferred Tax & FBT)	0.74	5.52	7.34	12.74	34.91	31.05
Net Profit After Tax but before extraordinary items	(0.54)	6.16	57.09	80.46	266.44	284.94
Less – Extraordinary items	-	-	-	-	-	-
Net Profit after tax and extraordinary items	(0.54)	6.16	57.09	80.46	266.44	284.94
Surplus from Previous Year	8.92	18.77*	24.93	82.02	162.47	362.36
Amount Available for Appropriation	8.38	24.93	82.02	162.47	428.91	647.30
Appropriations:-						
Dividend including Dividend Distribution Tax (Interim Dividend)	-	-	-	-	66.56	-
Balance carried to Balance Sheet as surplus to P/L	8.38	24.93	82.02	162.47	362.35	647.30

* The carry forward surplus of FY 2004-05 is increased due to the amalgamation of M/s. Komet Wire Industries Private Limited with the Company. Therefore the c/f surplus of FY 2003-04 is not matching with the b/f surplus of FY 2004-05.

Note: The summary financial statement of Komet Wire Industries Private Limited for the year 2003-04 is as follows –

Particulars	(Rs. in Lacs)
Particulars	Amount
Net Sales	166.04
PBT	2.54
PAT	(1.36)
Net Worth	60.96
Net Asset Value per Share* (Rs.)	121.93

*Face value of share was Rs. 100/- per share

ANNEXURE – III

Notes to Adjustment Carried out in Restated Financial Statements

1. Restated financial statement have been prepared in respect of five years commencing from the financial year ended March 31, 2004, 2005, 2006, 2007, 2008 and for a period of 9 months ended December 31, 2008.
2. Pursuant to Scheme of Amalgamation Sanctioned by the Honorable High Court of Bombay Vide its order dated 07/10/2005, Komet Wire Industries Private Limited (Wholly owned Subsidiary of Rishabhdev Technocable Ltd.) was amalgamated with Rishabhdev Technocable Limited with effect from April 1, 2004. Komet Wire Industries Private Limited and Rishabhdev Technocable Limited were in the same line of business of Industrial Cables. The Amalgamation has been carried out under the “Polling of Interest” method as specified in the Scheme of Amalgamation. Assets & Liabilities of Komet Wire Industries Private Limited have been transferred in the books of Rishabhdev Technocable Limited at their book value. Komet Wire Industries Private Limited was wholly owned subsidiary of Rishabhdev Technocable Limited, therefore, on amalgamation no shares of Rishabhdev Technocable Limited was issued and also there was no need for carrying out valuations, determining swap ratios and further issuing / allotting shares. The share capital of Komet Wire Industries Private Limited was cancelled.
3. Prior year’s figures have been regrouped / rearranged, wherever considered necessary to confirm with the current period’s classification.

In the financial statements for the years ended March 31, 2004, 2005, 2006, 2007, 2008 and for a period of 9 months ended December 31, 2008, certain items have been identified as prior period items. There were prior period items of Rs. 41714 in the financial statement of 2005-06 on account of excess provisioning of income tax for the following years –

Financial Year	Excess Income tax provisioning for the Company	Amount (Rs.)
2000-01	Rishabhdev Technocable Limited	2698
2001-02	Rishabhdev Technocable Limited	1700
2002-03	Rishabhdev Technocable Limited	34000
2002-03	Komet Wire Industries Private Limited	3316
Total		41714

There were prior period items of Rs. 74322 in the financial statement of 2006-07 on account of the following–

Financial Year	Particulars	Amount (Rs.)
2002-03	TDS on interest paid by Komet Wire Industries Private Limited to Rishabhdev Technocable Limited	67951
2003-04	Short Provision of Income tax in the books of Komet Wire Industries Limited	6371
Total		74322

The above mentioned prior period items have been appropriately adjusted in the respective years as per clause 6.10.2.7(b)(ii) of the DIP guidelines.

4. The amounts on accounts of the profit or loss on the sale of the Fixed Assets and Investments are disclosed below -

Financial Year	Particulars	Amount (Rs.)
2004 – 05	Profit on Sale of Fixed Assets	411635
	Loss on Sale of Investments	18364
2006 – 07	Loss on Sale of Fixed Assets	67650
2007 -08	Loss on Sale of Fixed Assets	541831

ANNEXURE – IV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory accounting standards and other provisions of the Companies Act, 1956. Our significant accounting policies include:

Basis of Accounting

Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.

- (a) The Company follows the accrual system of accounting on a going concern basis.

Fixed Assets and Capital Work in Progress

- (a) Fixed assets are stated at cost of acquisition or construction. All cost relating to the acquisition and installation of fixed assets are capitalised and includes borrowing cost directly attributable to construction or acquisition of fixed assets up to the date of asset put to use.
- (b) The Pre-operative expenditure on project & cost of trial run expenditure are capitalized on direct cost basis.
- (c) Fixed Assets are stated at cost of acquisition less depreciation.

Depreciation

The Company is providing depreciation on depreciable fixed assets at the rates provided on Straight Line Method basis at the rates provided by the schedule XIV of The Companies Act, 1956 from the date of actual put to use i.e. on pro-rata basis.

Revenue Recognition

Sales are accounted for on dispatch of goods to the customers and are exclusive of the Excise, sales return, and vat.

Inventories

- (a) Inventories of Raw materials and stores/spares & consumables etc. are valued at cost determined on FIFO basis. Finished goods and process stock include cost of conversion and other cost incurred in bringing the inventories to their present location and condition.
- (b) Stock in Work-in-progress is valued at estimated cost.
- (c) Inventory of finished good is valued at cost or realizable value whichever is lower.
- (d) Stock of scrap and wastes are valued at net realizable price.

Retirement Benefits

Liabilities in respect of bonus, gratuity, retirement benefit & leave encashment is being accounted for on cash basis.

Borrowing Cost

Borrowing costs directly attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

Preliminary Expenditure

Preliminary Expenditure is apportioned in ten equal installments, commencing from the year in which the expenditure has been incurred.

Taxes on Income & FBT

Current tax is determined as the amount of tax payable in respect of taxable income for the year and provided at the end of the year as per the prevailing provisions of the Income-tax Act, 1961. Deferred tax liabilities & assets are recognized at substantively enacted tax rates, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Fringe Benefit Tax (FBT) is accounted for on the estimated value of fringe benefits for the period as per the related provision of the Income Tax Act, 1961. The Company has paid tax under MAT for all the five years ended, March 31, 2004, 2005, 2006, 2007 and 2008.

Contingent Liability

Contingent Liability is determined on the basis of available information and explanation and are disclosed by way of note to the accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the finalization of accounts and have material effect on the position stated in the balance sheet.

Cash Flow Statement

The cash flow statement has been prepared by following indirect method as per the Accounting Standard – 3 issued by ICAI

Valuation of investments

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.

B. NOTES TO ACCOUNTS:

1. Remuneration to Directors

Particulars	(Rs. In Lacs)					For the period of 9 months ended December 31 2008
	For the year ending March 31,					
	2004	2005	2006	2007	2008	
Managerial Remuneration	1.08	1.08	5.40	3.51	3.51	3.60

2. Remuneration to Auditor:

Particulars	(Rs. In Lacs)					For the period of 9 months ended December 31 2008
	For the year ending March 31					
	2004	2005	2006	2007	2008	
Statutory Audit	0.32	0.67	0.84	0.48	0.72	2.00
Tax Audit Fees	-	0.25	0.28	0.46	0.33	0.45
Company Law Matters	-	0.16	0.09	0.07	-	-
Total	0.32	1.08	1.21	1.01	1.05	2.45

- Term Loan from IDBI is secured by way of hypothecation of Machinery and Equitable mortgage of Factory Building.
- Vehicle Loans are secured by way of hypothecation of the respective vehicle.
- Cash credit limit is secured by hypothecation of raw material, semi finished goods, finished goods, book debts and other current assets.
- Pursuant to the Accounting Standard (AS 22) relating to “Accounting for Taxes on Income”, the Company has recognized net Deferred Tax liability as under:

(Rs. In Lacs)

Particulars	For the year ending March 31,					For the period of 9 months ended December 31
	2004	2005	2006	2007	2008	2008
Deferred Tax liability	8.42	20.81	20.81	20.81	20.81	20.81

7. Segment Reporting

As the Company's business activity falls within a single primary business segment "**Industrial Cables**" the disclosures requirement of the Accounting Standard (AS) 17 "Segment Reporting" issued by 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.

ANNEXURE-V

STATEMENT OF DIVIDEND PAID

(Rs. In Lacs)

Particulars	For the year ending March 31					For the period of 9 months ended December 31
	2004	2005	2006	2007	2008	2008
Equity Shares Face Value (Rs./Share)	10.00	10.00	10.00	10.00	10.00	10.00
Equity Share Capital	324.42	324.42	333.71	381.86	568.91	568.91
Interim Dividend						
Per share Rs.	-	-	-	-	1.00	-
Interim Dividend (Rs. In Lacs)	-	-	-	-	56.89	-
Tax on Dividend (Rs. In Lacs)	-	-	-	-	9.67	-

ANNEXURE-VI

STATEMENT OF OTHER INCOME

(Rs. In Lacs)

Particulars	For the year ending March 31,					For the period of 9 months ended December 31
	2004	2005	2006	2007	2008	2008
Interest Receipts	6.58	-	0.15	0.13	0.10	0.45
Profit on sale of Investments	-	(0.18)	-	-	-	-
Profit on Sales of Assets	-	4.12	-	-	-	-
Labour Charges	-	0.19	-	-	-	-
Miscellaneous Income	0.52	0.12	2.28	7.03	23.16	17.61
Total	7.10	4.24	2.43	7.15	23.26	18.06

ANNEXURE-VII

ACCOUNTING RATIOS RESTATED

Particulars	As at the year ending March 31,					As at 9 months ended December 31
	2004	2005	2006	2007	2008	2008
(i) Basic and Diluted EPS (Before restated) Rs.	(0.02)	0.19	1.75	2.29	5.34	5.01
Basic and Diluted EPS (After restated) Rs.	(0.02)	0.19	1.75	2.29	5.32	5.01
(On Net Profit after taxes and before Extraordinary Items and prior period adjustments)						
(ii) Net Asset Value per share Rs.	10.14	10.67	12.50	14.83	18.36	34.03
(iii) Return on Net worth (%)	(0.16%)	1.78%	13.82%	14.83%	28.64%	14.40%
Weighted average no. of shares outstanding at the end of the year / period	32,44,175	32,44,175	32,53,888	35,19,087	50,06,335	56,89,100

Formula

- i. Net Asset Value per share, computed as per net equity method, is arrived at as Equity Net Worth at the end of the fiscal year, minus miscellaneous expenditure not written off divided by the number of equity shares at the end of the fiscal year.
- ii. Return on Net Worth is arrived at by dividing PAT (before extraordinary items) by total shareholders' fund (Net Worth) at the end of the fiscal year/period.
- iii. The Company reports Basic earnings per Equity Share in accordance with Accounting Standard-20, Earnings per Share issued by the Institute of Chartered Accountants of India. Basic Earnings per equity share has been computed by dividing net profit after tax attributable to equity shareholders by weighted average number of equity share outstanding during the year.

ANNEXURE-VIII

CAPITALISATION STATEMENT

(Rs. in Lacs)

Particulars	Pre Issue as at 31.12.2008	Post Issue
Borrowings:		
Short-Term Debt	334.95	[*]
(Refer Note 1 below)		
Long-Term Debt (A)	109.64	[*]
Total Debt	444.59	[*]
Shareholders' Funds		
Share Capital	568.91	[*]
Reserves	650.30	[*]
Share Application Money	721.00	[*]
Less: Miscellaneous Expenses not written off	4.20	[*]
Total Shareholders' Funds (B)	1936.01	[*]
Total Capitalization	1936.01	[*]
Long Term Debt / Equity Ratio (A) / (B)	0.06	[*]

* Post Issue Information can be ascertained only after completion of book building process.

Notes: Short Term Debts are debts repayable within one year from the date of the above statement.

ANNEXURE-IX

STATEMENT OF TAX SHELTER

(Rs. in Lacs)

Particulars	For the Year Ending March 31				
	2004	2005	2006	2007	2008
Net Profit / (Loss) Before Tax and Extraordinary items as per books(A)	0.20	11.67	64.44	93.20	302.07
Tax Rates (%)	35.00%	35.00%	30.00%	30.00%	30.00%
Surcharge (%)	0.88%	0.88%	3.00%	3.00%	3.00%
Education Cess (%)	0.00%	0.72%	0.66%	0.66%	0.99%
Income Tax Rates Applicable (%)	35.88%	36.60%	33.66%	33.66%	33.99%
Tax at Normal Income Tax Rates	0.07	4.27	21.69	31.37	102.68
Adjustments:					
Permanent Differences					
Donation net of deduction u/s 80G	-	-	0.04	0.04	0.09
Benefit u/s 80IB	3.31	-	55.18	84.29	283.48
Total Permanent Difference (C)	3.31	-	55.21	84.33	283.57
Timing Differences					
Difference between Book and Tax Depreciation	0.73	12.68	9.30	11.16	29.14
Loss on Sale of Fixed Assets	-	-	-	2.21	5.42
Total Timing Differences (D)	0.73	12.68	9.30	13.38	34.55
Net Adjustments (C+D)	4.03	12.68	64.51	97.71	318.12
Tax Saving thereon	1.45	4.64	21.71	32.89	108.13
Tax Payable as per MAT	0.02	0.92	5.42	10.46	34.14
Interest Payable under Section 234 B and 234 C	0.02	0.08	0.58	1.25	3.77
Tax as per Income Tax Return (Paid Under MAT)	0.04	1.00	6.00	11.71	37.92

Note: The aforesaid Statement of Tax Shelters has been prepared as per audited accounts of the Company 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.

ANNEXURE-X

STATEMENT OF SECURED LOANS

(Rs. in Lacs)

Particulars	As at 31/12/2008	Securities Offered	Interest Rate Rate	Terms of Payments
Term Loans from Banks/Institutions				
IDBI Bank Ltd.	81.47	Refer Note 1	PLR + 0.75%	Monthly Rs. 2,70,800
Total	81.47			
Working Capital facilities				
Cash Credit				
IDBI Bank Ltd.	334.95	Refer Note 2	PLR + 0.25%	
Total	334.95			
Vehicles Loan				
ICICI Bank Ltd.	15.59	Refer Note 3	11.52%	Monthly Rs. 66,320
ICICI Bank Ltd.	2.05		13.50%	Monthly Rs. 12,075
IDBI Bank Ltd.	10.52		PLR + 0.75%	Monthly Rs. 36,600
Total	28.16			

Note 1:

- Hypothecation of Plant and Machinery.
- Equitable Mortgage of Daman Plant situated at Adeshwar Complex, S.No731/1,730/4, Dabhel, Vapi
- Equitable Mortgage of Flat No. 301/302, Gokul Heights, B Wing, Thakur Complex, Kandivali (E), Mumbai – 400 101
- Personal Guarantees of Directors

Note 2:

- Hypothecation of Inventory & Hypothecation of Book Debts
- Equitable Mortgage of Daman Plant situated at Adeshwar Complex, S.No.731/1,730/4, Dabhel Vapi
- Equitable Mortgage of Flat No. 301/302, Gokul Heights B Wing, Thakur Complex, Kandivali (E), Mumbai - 400 101
- Personal Guarantees of Directors

Note 3:

- Hypothecation of Vehicles

ANNEXURE-XI

STATEMENT OF UNSECURED LOANS

(Rs. in Lacs)

Particulars	As at the year ending March 31,					As at 9 months ended December 31
	2004	2005	2006	2007	2008	2008
From Directors	-	-	0.19	-	375.00	14.40
From Banks	-	14.76	9.54	3.56	3.04	3.04
From Others	-	-	1.30	-	-	-
Total	-	14.76	11.03	3.56	378.04	17.44

ANNEXURE-XII

STATEMENT OF INVESTMENTS

(Rs. in Lacs)

Particulars	As at the year ending March 31,					As at 9 months ended December 31
	2004	2005	2006	2007	2008	2008
Unquoted, untraded Investments in Private Limited Companies	80.39	-	-	-	-	-
Total	80.39	-	-	-	-	-

ANNEXURE-XIII

STATEMENT OF SUNDRY DEBTORS
(Unsecured and Considered good)

(Rs. in Lacs)

Particulars	As at the year ending 31,					As at 9 months ended December 31
	2004	2005	2006	2007	2008	2008
Debts outstanding for more than 6 months	45.22	55.42	52.20	52.20	15.23	78.91
Others	13.17	64.62	198.13	307.67	827.56	928.05
Total	58.39	120.04	250.33	359.87	842.79	1006.96

ANNEXURE-XIV

STATEMENT OF LOANS AND ADVANCES
(Unsecured and considered good – Recoverable in cash or in kind or value to be received)

(Rs. in Lacs)

Particulars	As at the year ending March 31					As at 9 months ended December 31
	2004	2005	2006	2007	2008	2008
Deposit with Central Excise	-	-	-	-	-	0.37
Prepaid Expenses	-	0.23	0.26	-	1.02	-
Deposits & Advances	0.85	3.85	5.62	1.75	34.71	38.82
Advances to Directors	-	0.46	0.65	-	-	-
Advances to suppliers	1.10	-	5.00	3.40	3.70	1.55
Other Advances	4.00	6.18	-	3.02	2.50	57.37
Unsecured Loan to Komet Wire Industries Private Limited (Subsidiary)	39.65	-	-	-	-	-
Excise Paid in Advance	-	-	2.72	10.26	42.31	23.46
VAT Refund	-	-	5.58	8.31	11.20	11.20
Office Deposit	20.51	20.00	20.00	20.00	20.00	20.00
Total	66.11	30.72	39.84	46.75	115.45	152.77

ANNEXURE-XV

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(Rs. in Lacs)

Particulars	As at the year ending March 31					As at 9 months ended December 31
	2004	2005	2006	2007	2008	2008
CAPITAL COMMITMENTS						
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	-	-	-	-	61.00	547.13
CONTINGENT LIABILITIES						-
Bank Guarantees	0.05	-	-	-	-	-
IT Liability due to 80IB*	-					74.85
Interest u/s 220 @ 12% p.a.						8.98
Penalty @ 100%						74.85
	0.05	-			61.00	158.68
Note : *(1) Calculated Year Wise Cumulatively as per the IT rate						
(2) The Company has filed an Appeal against the assessment order for 2006-2007						

ANNEXURE-XVI

STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Relationships	Name of the Party
Key Managerial Personnel	1. Mr.Kamal Chand B Golchha 2. Mr.Sunil B Golchha
Relatives of Key Managerial Personnel	1. Mr. Bhanvar Lal Golchha 2. Mrs.Kiran Devi Golchha 3. Mrs. Pushpa K Golchha 4. Mrs. Shanti S Golchha 5. Mrs.Aruna Sathia 6. Mrs.Santosh Anchalia 7. Mrs Kanta Golchha (Daga) 8. Mrs Jyoti Golchha (Daga) 9. Miss Shanti K Golchha 10. Miss Pinky K Golchha 11. Mr. Revatmal Baradia 12. Mr.Dheeraj Kumar Baradia 13. Mr. Hans Raj Baradia 14. Mr.Santosh Singhi 15. Mr Dheeraj Singhi

Particulars	Nature of Transaction	Key Management Personal And Relatives	Total
Transactions for the period ended December 31, 2008	Managerial Remuneration	3.60	3.60
	Unsecured Loan from Kamal Chand B Golchha	3.15	3.15
	Share Application Money from Mr. Sunil Golchha*	174.50	174.50
	Share Application Money from Mr. Kamal Chand Golchha*	171.50	171.50
	Unsecured Loan from Sunil B Golchha	11.25	11.25
Outstanding Balance as on 31.12.2008		14.40	14.40
Transactions for the year ended March 31, 2008	Interim Dividends paid	15.28	15.28
	Managerial Remuneration	3.51	3.51
	Unsecured Loan from Kamal Chand B Golchha**	175.00	175.00
	Unsecured Loan from Sunil B Golchha**	200.00	200.00
Outstanding Balance as on 31.03.2008		375.00	375.00
Transactions for the year ended March 31, 2007	Managerial Remuneration	3.51	3.51
Outstanding Balance as on 31.03.2007		-	-
Transactions for the year ended March 31, 2006	Unsecured Loan from Kamal Chand B Golchha	0.19	0.19
	Salary Advance to Sunil B Golchha	0.65	0.65
	Unsecured Loan from Bhavarlal A Golchha	1.30	1.30
	Managerial Remuneration	5.40	5.40
	Mr. Kamal Chand B. Golchha & Mr. Sunil B. Golchha Transferred 6,500 & 11,030 Equity Shares Respectively (Rs. 100 Each) of Komet Wire Industries Pvt. Ltd to Company on August 31, 2005 by way of Gift.		-
Outstanding Balance as on 31.03.2006		0.84	0.84
Transactions for the year ended March 31, 2005	Managerial Remuneration	1.08	1.08
	Advance to Directors	0.46	0.46
Outstanding Balance as on 31.03.2005		-	-
Transactions for the year ended March 31, 2004	Purchase of Goods ***		4.41
	Managerial Remuneration	1.08	1.08
Outstanding Balance as on 31.03.2004		-	-

* The amount was brought by Mr. Sunil Golchha and Mr. Kamal Chand Golchha as unsecured loan from the period April 1, 2008 to July 21, 2008 and was converted into share application money vide board resolution dated July 25, 2008.

** The amount was brought by Mr. Sunil Golchha and Mr. Kamal Chand Golchha as unsecured loan till financial year ended March 31, 2008 and was converted into share application money vide board resolution dated July 25, 2008.

*** It represents purchase of goods by Rishabhdev Technocable Limited from its erstwhile subsidiary Komet Wire Industries Private Limited in the financial year 2003-04.

ANNEXURE – XVII

Cash Flow Statement prepared from the Restated Financial Statements

(Rs. in Lacs)

Particulars	For the year ending March 31					For a period of 9 months ended December 31
	2004	2005	2006	2007	2008	2008
A. CASH FLOW FROM OPERATING ACTIVITIES: -						
Net Profit before Tax and Extraordinary items	0.20	11.67	64.43	93.20	301.35	315.99
Adjustments for:-						
Depreciation & Preliminary Exp. Written off	3.88	8.87	12.13	15.63	26.41	23.85
(Profit)/Loss on sale of Fixed Assets	-	(4.12)	-	0.68	5.42	-
Profit/Loss on sale of Investments /Other Assets	-	(0.18)	-	-	-	-
Interest Income	(6.58)	-	(0.15)	(0.13)	(0.10)	(0.45)
Interest Expense	5.97	15.49	18.94	24.23	41.04	35.05
Operating profit before working capital changes	3.46	31.73	95.35	133.60	374.11	374.44
Adjustments for changes in Working Capital:-						
Decrease / (Increase) in Trade and Other Receivables	(6.91)	(25.59)	(139.41)	(117.12)	(551.62)	(201.50)
Decrease / (Increase) in Inventories	24.98	(151.32)	(43.10)	(32.84)	(227.83)	17.15
Increase / (Decrease) in Trade & Other Payables	(28.71)	37.41	134.73	(9.16)	235.38	(58.35)
CASH GENERATED FROM OPERATIONS	(7.18)	(107.77)	47.58	(25.52)	(169.96)	131.75
Direct Taxes paid / Provisions adjusted	0.74	5.52	7.34	12.74	34.91	31.05
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(7.92)	(113.28)	40.24	(38.26)	(204.87)	100.70
Extraordinary items	0.38	13.71	-	-	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	(7.54)	(99.57)	40.24	(38.26)	(204.87)	100.70
B.CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase Fixed assets	(1.66)	(41.90)	(68.75)	(89.68)	(461.79)	(411.26)
Proceeds from Sale of Investments	-	80.58	-	-	-	-
Proceeds from Sale of Fixed Assets	-	4.12	-	5.00	-	-
Interest received	6.58	-	0.15	0.13	0.10	0.45
NET CASH (USED IN) /FROM INVESTING ACTIVITIES (B)	4.92	42.79	(68.60)	(84.55)	(461.69)	(410.81)
C. CASH FLOW FROM FINANCING ACTIVITIES:						
Proceeds of call money on Share Capital	-	-	9.29	48.15	187.05	-
Proceeds of Share Application Money	-	-	-	-	-	721.00
Proceeds of Loans from Banks	11.48	65.60	25.34	108.93	230.58	(24.03)
Proceeds / (Repayment) of Unsecured Loans	-	14.76	(3.73)	(7.47)	374.48	(360.60)
Dividend Paid (Including Tax thereon)	-	-	-	-	(66.56)	-
Interest & Finance Charges Paid	(5.97)	(15.49)	(18.94)	(24.23)	(41.04)	(35.05)
NET CASH (USED IN) /FROM FINANCING ACTIVITIES (C)	5.51	64.87	11.97	125.39	684.51	301.33
D.Net increase/(decrease) in cash & cash equivalents (A+B+C)	2.90	8.10	(16.40)	2.57	17.95	(8.79)
Cash and cash equivalents at the beginning of the year	1.88	11.00	19.10	2.70	5.27	23.22
Cash and cash equivalents at the end of the year	4.78	19.10	2.70	5.27	23.22	14.43
Net increase/(decrease) in cash & cash equivalents (D)	2.90	8.10	(16.40)	2.57	17.95	(8.79)

GROUP COMPANIES

We have no companies / partnership or other ventures under the same management within the meaning of section 370(1) (B) of the Companies Act, 1956.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Please read the following discussion of our financial condition and results of operations together with the financial statements of our Company as restated for the years ended March 31, 2004, 2005, 2006, 2007 and 2008 and for the period of 9 months ended December 31, 2008, including the notes thereto and reports thereon, prepared in accordance with Indian GAAP and the Companies Act, 1956.

Pursuant to Scheme of Amalgamation Sanctioned by the Honorable High Court of Mumbai vide its order dated 07/10/2005, the business of the Komet Wire Industries Private Limited (subsidiary of Rishabhdev Technocable Ltd.) was amalgamated with Rishabhdev Technocable Limited with effect from April 1, 2004.

The following discussion is based on internally prepared statistical information and publicly available information. You are advised to read the section titled "Risk Factors" beginning on page x, which discusses a number of factors, and contingencies that could affect our financial condition, results of operations and cash flows.

Overview

Our Company was incorporated as a public limited company in the year 1994 under the Companies Act, 1956 by Shri Bhanwar Lal Golchha, Shri Sunil Golchha and Shri Kamal Chand Golchha. The registered office of our Company is situated at Goregaon, Mumbai and the manufacturing unit of our Company is located at Daman. Komet Wire Industries Private Limited became a subsidiary of our Company in 2002. In order to take advantage of synergies existing in operations of both the companies, Komet Wire Industries Private Limited was amalgamated with our company w.e.f. April 1, 2004 in pursuance of the order of the Honorable High Court of Bombay dated October 7, 2005. Our Company was initially engaged in trading of cables and thereafter diversified into manufacturing activities. The business of our Company has grown considerably over the years and is presently one of the well-known cable manufacturers in India.

Over the years, we have expanded our product range and have added variety of cables in our product range like Industrial control cables, Hi-Tech data cables, Process control instrument signal cables, Thermocouple extension and Compensating cables, Computer application, Hi- Bit rate networking cables, Digital data communication cables, Specialty cables and Customized cables. With the objective of moving up the value chain we identified new opportunities and are now diversifying into Electrical Low Voltage Power cables on a major level. Pursuant to this objective we initiated a modernization cum expansion program in April, 2007. We now intend to set-up a separate manufacturing unit for control cables at Daman and a separate manufacturing unit for Electrical Low Voltage Power cables at Silvassa apart from expanding and modernizing manufacturing facilities at our existing unit at Daman.

At present, our Company manufactures cables up to 1.1 KV for various applications covering most segments of users industries. We cater to a wide spectrum of cable users in various industries like Power and Electrical Distributions and Transmission, Steel and Metal, Cement, Mines and Minerals, Petrochemicals and fertilizers, Paper Mills and Fine chemicals, Hydrocarbon Process Industries, Software Technology IT Park and infrastructure.

Our Company is a regular supplier to many large corporates and well-known public and private sector Undertakings. Our clients are from diverse industries and include large corporates such as Tata Power Company Ltd (Sales amounted to 0.45% of total sales in the FY 06-07 and 0.36% of total sales in FY 07-08), Reliance Industries Ltd (Sales amounted to 1.36% of total sales in the FY 06-07 and 1.48% of total sales in FY 07-08), Grasim Industries Ltd (Sales amounted to 8.16% of total sales in the FY 06-07 and 2.56% of total sales in FY 07-08), Bharat Aluminium Co. Ltd (Sales amounted to 0.22% of total sales in the FY 07-08), Century Enka Ltd (Sales amounted to 0.47% of total sales in FY 07-08), Welspun Gujarat Stahl Rohren Ltd (Sales amounted to 1.35% of total sales in the FY 06-07 and 0.64% of total sales in FY 07-08), Siemens Ltd (Sales amounted to 1.88% of total sales in the FY 06-07 and 0.43% of total sales in FY 07-08), Sanghi Industries Ltd (Sales amounted to 7.47% of total sales in the FY 06-07 and 4.90% of total sales in FY 07-08), Adani Agri Logistics Ltd (Sales amounted to 0.34% of total sales in the FY 06-07 and 0.58% of total sales in FY 07-08), Johnson Controls India Pvt. Ltd (Sales amounted to 0.59% of total sales in the FY 06-07 and 0.71% of total sales in FY 07-08), Essar Constructions Ltd (Sales amounted to 2.80% of total sales in the FY 06-07 and 4.86% of total sales in FY 07-08), J K Laxmi Cement (Sales amounted to 1.47% of total sales in the FY 06-07 and 3.57% of total sales in FY 07-08), Filatex India Ltd (Sales amounted to 4.76% of total sales in the FY 06-07 and 0.18% of total sales in FY 07-08), Siyarams Silk Mills Ltd (Sales amounted to 0.24% of total sales in the FY 06-07 and 2.18% of total sales in FY 07-08), Essar Steel Ltd (Sales amounted to 31.85% of total sales in the FY 06-07 and 2.33% of total sales in FY 07-08), Alok Industries Ltd (Sales amounted to 2.05% of total sales in FY 07-

08).,Essar Power Ltd (Sales amounted to 3.83% of total sales in FY 07-08).,Kalpatru Power Transmission Ltd (Sales amounted to 0.50% of total sales in the FY 06-07 and 6.37% of total sales in FY 07-08).,Gupta Synthetics Ltd (Sales amounted to 1.80% of total sales in the FY 06-07)., Gas Authority of India Ltd (Sales amounted to 0.42% of total sales in the FY 06-07 and 0.29% of total sales in FY 07-08).,Hindustan Lever Ltd (Sales amounted to 1.19% of total sales in FY 07-08).,Hindustan Oil Exploration Ltd (Sales amounted to 2.88% of total sales in FY 07-08)., Hindalco Industries Ltd (Sales amounted to 0.49% of total sales in FY 07-08) and others.

Our Company is BS EN ISO 9001:2000 certified by BSI, UK and also IS 694:1990, IS: 1554:1988 Part 1: 1988 by Bureau of Indian Standards. The validities of these certifications are upto August 9, 2009, June 21, 2009 and June 21, 2009 respectively.

OUR COMPETITIVE STRENGTHS

We believe the following are our core strengths.

Wide customer base and long term customer relationship

We have a track record of providing quality cables to our customers on a continuous and uninterrupted basis. We have maintained excellent relationships with our customers, due to our ability to offer customized and tailor made products as per the design specifications of our clients. We receive repeat orders from our clients in various sectors like Oil and Gas, Steel, Power, Chemical, Cement, Fertilizer, Defence and Telecom etc. Our strong relation with clients is one of the major reasons for our success over these years.

Our comparatively low cost of production

Due to our good relationship with our suppliers, we are able to purchase the raw materials at competitive rates on a timely manner. Our well-defined raw material policy ensures that optimal quality of raw materials is maintained. In order to keep the unit cost of production low, we make continuous efforts to cut our costs wherever possible; at the same time ensuring that the quality does not suffer. Our continuous efforts in reducing costs as well as offering best quality products to our clients has helped us to establish a name for our products in the market.

Established and proven track record with high service standard

We are a well known cable manufacturing company offering wide range of products. We are a regular supplier of various types of custom made and standard cables to companies like Tata Power Company Ltd., Grasim Industries Ltd., Reliance Industries Ltd., Essar Steel Ltd., Essar Power Ltd., Siemens Ltd., Essar Constructions Ltd., J.K Laxmi Cement Ltd., Sanghi Industries Ltd., Welspun Gujarat Stahl Rohren Ltd., etc., Our strength lies in our impeccable track record of timely and quality deliverables, which enables us to withstand competition and develop long lasting relations with our customers.

Extensively experienced promoters

Our Promoters have more than 20 years of experience in the cable industry. Mr. Sunil Golchha, Managing Director started his career in 1987 with Udey Pyrocables Private Limited a cable manufacturing company. He is currently looking after the overall functioning of our Company with special focus on business development and marketing. Mr. Kamal Chand Golchha started his own proprietary firm in the name of M/s. Kiran Sales Corporation in the year 1987, which was into the business of mining and minerals. He was also associated with M/s. ECI Cables Corporation. He is looking after the manufacturing facilities of our Company and is responsible for the execution of orders on time. Mr. Bhanwar Lal Golchha is giving guidance to our Company on strategic matters.

Wide product portfolio and ability to cater to diverse market requirements

Our Company provides an extensive range of power, control, instrumentation and specialty cables conforming to Indian standards. We have continuously expanded our product range and have added variety of cables in our product range like Industrial control cables, Hi-Tech data cables, Process control instrument Signal cables, Thermocouple extension and compensating cables, Computer application Hi-Bit rate networking cables, Digital data communication cables, Low voltage power cables, Specialty cables and Customized cables. Diversified product portfolio reduces the risk of slowdown in the business.

Good relations with workforce

Rishabhdev Technocable Limited

Our Company has been maintaining good relations with the work force over the years, which has been one of the instrumental factors for our success. We keep our work force satisfied and motivated by remunerating them well and providing them with good working conditions.

Our excellent relationships with bankers and suppliers

Our Company has enjoyed very good relations with its bankers over the years. We started banking with United Western Bank Limited (now IDBI Bank) in the Year 1997. Over the years, our cash credit limit was raised to Rs. 330 Lacs and Term Loan of Rs. 100 Lacs was sanctioned and disbursed. We have received a sanction of Rs. 1000 Lacs for the expansion plan. With this the total exposure of IDBI Bank would be to the tune of Rs. 1430 Lacs. We also enjoy good relations and a reasonable credit period from our suppliers.

Factors affecting our growth

Industry Movement

The growth of other sectors in the industry would affect the growth of cable industry especially the infrastructure sector and the power sector. The growth in these sectors would have a direct impact on our business.

Government and Other Regulatory Policies

The government and other regulatory policies have direct impact on any business. Any change in these policies would have an impact on our business. Any change in government policy towards the sectors like infrastructure, power, cement, fertilizers, chemicals, petroleum, etc. in which we supply our cables would also impact our growth in the future.

Constant Improvement in Quality and Product Development

We have to consistently strive for improvement in quality of products offered to our clients and innovate new products. Constant innovation of new products would be very instrumental in determining our growth in the long run.

Critical Accounting Policies

The financial statements of our Company are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory accounting standards and other provisions of the Companies Act. Our significant accounting policies include:

Basis of Accounting

- (a) Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.
- (b) Our Company follows the accrual system of accounting on a going concern basis.

Fixed Assets and Capital Work in Progress

- (a) Fixed assets are stated at cost of acquisition or construction. All cost relating to the acquisition and installation of fixed assets are capitalised and includes borrowing cost directly attributable to construction or acquisition of fixed assets up to the date of asset put to use.
- (b) The Pre-operative expenditure on project and cost of trial run expenditure are capitalized on direct cost basis.
- (c) Fixed Assets are stated at cost of acquisition less depreciation.

Depreciation

Our Company is providing depreciation on depreciable fixed assets at the rates provided on Straight Line Method basis at the rates provided by the schedule XIV of The Companies Act, 1956 from the date of actual put to use i.e. on pro-rata basis.

Revenue Recognition

Sales are accounted for on dispatch of goods to the customers and are exclusive of the Excise, sales return, and vat.

Inventories

- Inventories of Raw materials and stores/spares and consumables etc. are valued at cost determined on FIFO basis. Finished goods and process stock include cost of conversion and other cost incurred in bringing the inventories to their present location and condition.
- Stock in Work-in-progress is valued at estimated cost.
- Inventory of finished good is valued at cost or realizable value whichever is lower.
- Stock of scrap and wastes are valued at net realizable price.

Retirement Benefits

Liabilities in respect of bonus, gratuity, retirement benefit and leave encashment is being accounted for on cash basis.

Borrowing Cost

Borrowing costs directly attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

Preliminary Expenditure

Preliminary Expenditure is apportioned in ten equal installments, commencing from the year in which the expenditure has been incurred.

Taxes on Income and FBT

Current tax is determined as the amount of tax payable in respect of taxable income for the year and provided at the end of the year as per the prevailing provisions of the Income-tax Act, 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Fringe Benefit Tax (FBT) is accounted for on the estimated value of fringe benefits for the period as per the related provision of the Income Tax Act, 1961. Our Company has paid tax under MAT for all the five years ended, March 31, 2004, 2005, 2006, 2007 and 2008.

Contingent Liability

Contingent Liability are determined on the basis of available information and explanation and are disclosed by way of note to the accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the finalization of accounts and have material effect on the position stated in the balance sheet.

Cash Flow Statement

The cash flow statement has been prepared by following indirect method as per the Accounting Standard – 3 issued by ICAI

Valuation of investments

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.

Financial Operations Overview

The following description set forth information with respect to key components of our statement of operations:

Income

Sales – Our sales primarily consists of various types of cables viz. control cables, power cables, instrumentation cables, specialty cables, etc.

Other Income – Our other Income primarily consisted of sale of scrap during the fiscal 2008.

Expenditure

Raw Material Expenses – Our primary raw material consists of Copper, Aluminum, PVC and Additives.

Manufacturing Expenses – Our manufacturing expenses primarily consists of electricity expenses, freight charges, packing and forwarding charges, labour expenses, factory expenses, etc.

Administrative Expenses - Our administrative expenses primarily consists of conveyance, traveling expenses, printing and stationery, telephone, postage, legal and professional fees, payment to auditors, motor car expenses, insurance, office expenses and other expenses.

Employee Expenses – Employee expenses consists of salaries, wages, staff welfare expenses, and other employee benefits.

Interest and Bank Charges – Interest consists of interest on term loans, working capital and other finance charges.

Depreciation – Depreciation primarily pertains to machinery, factory building, furniture and fixture, office equipments, testing and measuring instruments, vehicles, computer systems etc.

Provision for Taxation – Current tax is determined as the amount of tax payable in respect of taxable income for the year and provided at the end of the year as per the prevailing provisions of the Income Tax Act, 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Fringe Benefit Tax (FBT) is accounted for on the estimated value of fringe benefits for the period as per the related provision of the Income Tax Act, 1961. We had paid tax under MAT for all the year ended March 31, 2004, 2005, 2006, 2007 and 2008.

Adjustment on account of restatement under SEBI Guidelines

1. Restated financial statement have been prepared in respect of five years commencing from the financial year ended March 31, 2004, 2005, 2006, 2007 and 2008 and for the period of 9 months ended December 31, 2008.
2. Pursuant to Scheme of Amalgamation Sanctioned by the Honorable High Court of Bombay Vide its order dated 07/10/2005, Komet Wire Industries Private Limited (wholly owned Subsidiary of Rishabhdev Technocable Ltd.) was amalgamated with Rishabhdev Technocable Limited with effect from April 1, 2004. Komet Wire Industries Private Limited and Rishabhdev Technocable Limited were in the same line of business of Industrial Cables. The Amalgamation has been carried out under the “Polling of Interest” method as specified in the Scheme of Amalgamation. Assets & Liabilities of Komet Wire Industries Private Limited have been transferred in the books of Rishabhdev Technocable Limited at their book value. Komet Wire Industries Private Limited was wholly owned subsidiary of Rishabhdev Technocable Limited, therefore, on amalgamation no shares of Rishabhdev Technocable Limited was issued and also there was no need for carrying out valuations, determining swap ratios and further issuing / allotting shares. The share capital of Komet Wire Industries Private Limited was cancelled.
3. Prior year’s figures have been regrouped / rearranged, wherever considered necessary to confirm with the current period’s classification.
4. In the financial statements for the years ended March 31, 2004, 2005, 2006, 2007 and 2008 certain items have been identified as prior period items. There were prior period items of Rs. 41714 in the financial statement of 2005-06 on account of excess provisioning of income tax for the following years

Financial Year	Excess Income Tax provisioning for our Company	Amount (Rs.)
2000-01	Rishabhdev Technocable Limited	2698
2001-02	Rishabhdev Technocable Limited	1700
2002-03	Rishabhdev Technocable Limited	34000
2002-03	Komet Wire Industries Private Limited	3316
Total		41714

There were prior period items of Rs. 74,322 in the financial statement of 2006-07 on account of the following –

Financial Year	Particulars	Amount (Rs.)
2002-03	TDS on interest paid by Komet Wire Industries Private Limited to Rishabhdev Technocable Limited	67951
2003-04	Short Provision of Income tax in the books of Komet Wire Industries Limited	6371
Total		74322

The above mentioned prior period items have been appropriately adjusted in the respective years as per clause 6.10.2.7(b)(ii) of the SEBI (DIP) Guidelines.

5. The amounts on accounts of the profit or loss on the sale of the Fixed Assets and Investments are disclosed below -

Financial Year	Particulars	Amount (Rs.)
2004 - 05	Profit on Sale of Fixed Assets	411635
	Loss on Sale of Investments	18364
2006 - 07	Loss on Sale of Fixed Assets	67650
2007 -08	Loss on Sale of Fixed Assets	541831

Our Results of Operations

The following table sets forth certain information with respect to the results of operations of our Company as derived from our restated financial statements for the period indicated:

Particulars	For the period ending March 31,					(Rs. In Lacs)
	2004	2005	2006	2007	2008	For the period of 9 months ended December 31, 2008
Net sales	93.82	346.21	910.61	1052.85	3108.94	3265.99
Other Income	7.1	4.24	2.43	7.15	23.26	18.06
Increase / (Decrease) in Stock	(24.98)	42.34	79.43	(18.96)	107.42	(33.58)
Total	75.95	392.78	992.47	1041.04	3239.63	3250.47
Expenditure						
Raw Material consumed / Purchases	55.27	296.76	822.72	842.32	2766.7	2768.67
Employee Expenses	3.09	17.84	23.07	20.88	31.23	30.55
Manufacturing Expenses	-	17.26	24.67	25.27	32.4	34.77
Administration Expenses	7.55	24.9	26.51	19.51	40.51	41.58
Total	65.91	356.75	896.97	907.99	2870.84	2875.57
Earnings Before Interest, Depreciation, Tax and Amortization	10.04	36.03	95.5	133.05	368.8	374.90
Interest and Bank Charges	5.97	15.49	18.94	24.23	41.04	35.05
Earnings Before Depreciation, Tax and Amortization	4.08	20.54	76.57	108.82	327.76	339.85
Depreciation	3.03	8.14	11.4	14.9	25.68	23.85
Preliminary Expenses W/off	0.85	0.73	0.73	0.73	0.73	-

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Earnings Before Tax	0.2	11.67	64.43	93.2	301.35	316.00
Provision for Taxation	0.74	5.52	7.34	12.74	34.91	31.06
Net Profit after tax but before prior period Adjustment	-0.54	6.16	57.09	80.46	266.44	284.94
Less: Prior Period Adjustment	-	-	(0.42)	0.75	-	-
Net Profit After Tax and Extra Ordinary Items	-0.54	6.16	57.51	79.71	266.44	284.94

Discussion on the results of nine months period ended December 31, 2008

The sales for the period of nine months ended December 31, 2008 was 3265.99 lacs. The raw material consumption / purchases expenditure amounted to Rs. 2768.67 lacs, constituting 84.77% of the net sales. The manufacturing expenses amounted to Rs. 34.77 lacs, representing 1.06% of the net sales. The employee expenses amounted to Rs. 30.55 lacs, i.e 0.94% of the net sales. The administration expense amounted to Rs. 41.58 lacs, i.e 1.27% of the net sales. The EBIDTA for the period was Rs. 374.90 lacs or 11.48% of the net sales. The interest expenses for the period stood at Rs. 35.05 lacs, while the depreciation for the period amounted to Rs. 23.85 lacs. The provision for tax for the period was Rs. 31.06 lacs, resulting in Net Profit after tax being Rs. 284.94 lacs i.e 8.72% of the net sales.

Comparison of year ended March 31, 2008 with year ended March 31, 2007**Income**

Sales – Our sales in fiscal 2008 were Rs. 3108.94 lacs as against Rs.1052.85 lacs in fiscal 2007. In the fiscal 2008 our Company had initiated modernization of the existing facilities and had also started manufacturing power cables on a major level. As a result of modernization and expansion of existing facilities and execution of large orders the effect can be seen on the sales as they rose by about 195%.

Other Income – Our other income increased from Rs.7.15 lacs in the fiscal 2007 to Rs. 23.26 lacs in the fiscal 2008. The increase was largely on account of income from sale of scrap.

Expenditure

Raw Material Expenses – In fiscal 2008 our raw material expenses / purchases amounted to Rs. 2766.70 lacs, constituting 89% of net sales while raw material expenses in 2007 was Rs.842.32 lacs, constituting 80 % of net sales.

Manufacturing Expenses – Our manufacturing expenses stood at Rs 32.40 lacs in fiscal 2008 i.e. 1.04 % of net sales as compared to Rs. 25.27 lacs in fiscal 2007, which represented. 2.40 % of net sales.

Administrative Expenses – The administrative expenses increased significantly from Rs. 19.51 lacs in fiscal 2007 to Rs.40.51 lacs in fiscal 2008. Though as a percentage of net sales it reduced from 1.85% in fiscal 2007 to 1.30% in fiscal 2008.

Employee Expenses – The employee expenses increased from Rs. 20.88 lacs in fiscal 2007 to Rs. 31.23 lacs in fiscal 2008. As a percentage of net sales it is declining from being 1.98 % of net sales in fiscal 2007 to 1% of net sales in fiscal 2008.

Interest and Bank Charges – Interest expenses amounted to Rs. 41.04 lacs in fiscal 2008 as compared to Rs. 24.23 lacs in fiscal 2007, representing an increase of 69.38 %. The increase is on account of additional term loan and working capital loans borrowed from banks to fund the new fixed assets and additional working capital requirements. As a percentage of net sales the interest expenses decreased from 2.30 % in 2007 to 1.32 % in 2008.

Depreciation – Depreciation amounted to Rs. 25.68 lacs in fiscal 2008 as compared to Rs. 14.90 lacs in fiscal 2007, representing an increase of 72.39 %. The increase is on account of additional fixed assets purchased during the period.

Provision for Taxation – The provision for tax for the fiscal 2008 was Rs. 34.15 lacs and for FBT Rs. 0.77 lacs as compared to provision for tax of Rs.11.69 lacs and FBT of Rs. 1.05 lacs for the fiscal 2007.

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Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA) – We recorded EBIDTA of Rs. 368.80 lacs in fiscal 2008 as against EBIDTA of Rs. 133.05 lacs in fiscal 2007, with EBIDTA margin declining from 12.64% in fiscal 2007 to 11.86% in fiscal 2008.

Net Profit After Tax – Our Net Profit for the fiscal 2008 stood at 266.44 lacs as against Rs. 80.46 lacs of for fiscal 2007.

Comparison of Year ended March 31st, 2007 with year ended March 31st, 2006

Income

Sales – Our Sales increased by 15.62 % between Fiscal 2006 and 2007. Our sale in 2007 was Rs. 1052.85 lacs as against Rs. 910.61 lacs in the year 2006.

Other Income – Our other income increased from being Rs. 2.43 lacs in Fiscal 2006 to Rs. 7.15 lacs in Fiscal 2007.

Expenditure

Raw Material Expenses – In fiscal 2007 our raw material expenses / purchase amounted to Rs. 842.32 lacs as compared to Rs. 822.72 lacs in the fiscal 2006. As a percentage of Net sales the raw material expenses decreased from being 90.35% in fiscal 2006 to 80% in fiscal 2007.

Manufacturing Expenses – Our manufacturing cost was Rs. 24.67 lacs in fiscal 2006 i.e. 2.71 % of net sales, as compared to Rs. 25.27 lacs in fiscal 2007, which represented 2.40 % of net sales.

Administrative Expenses – The administrative expenses decreased from being 26.51 lacs in fiscal 2006 to Rs.19.51 lacs in fiscal 2007. As a percentage of net sales it dropped from 2.91 % in fiscal 2006 to 1.85 % in fiscal 2007.

Employee Expenses – Employee expenses decreased from Rs. 23.07 lacs in fiscal 2006 to Rs. 20.88 lacs in fiscal 2007, thus declining by 9.48 %. As a percentage of net sales it declined from bring 2.53 % in fiscal 2006 to 1.98 % in fiscal 2007.

Interest and Bank Charges – Interest expenses amounted to Rs.24.23 lacs in fiscal 2007 as compared to Rs. 18.94 lacs in fiscal 2006, representing an increase of 27.95 %.

Depreciation – Depreciation amounted to Rs.14.90 lacs in fiscal 2007 as compared to Rs. 11.40 lacs in fiscal 2006.

Provision for Taxation –The provision for taxation for the fiscal 2007 was Rs. 11.69 lacs and for FBT Rs. 1.05 lacs as compared to provision for tax of Rs.6.00 lacs and FBT of Rs. 1.34 lacs for the fiscal 2006.

Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA) – We recorded EBIDTA of Rs. 133.05 lacs in fiscal 2007 as against EBIDTA of Rs.95.50 lacs in fiscal 2006.

Net Profit After Tax – Our Net Profit for the fiscal 2007 stood at Rs. 80.46 lacs as against Rs. 57.09 lacs for the fiscal 2006.

Comparison of Year ended March 31st, 2006 with year ended March 31st, 2005

Income

Sales – Our Sales increased by 163 % between fiscal 2005 and 2006. Our sales in Fiscal 2006 was Rs. 910.61 lacs as against Rs. 346.21 lacs in the Fiscal 2005.

Other Income – Our other income decreased from being Rs. 4.24 lacs in fiscal 2005 to Rs. 2.43 lacs in fiscal 2006.

Expenditure

Raw Material Expenses – In fiscal 2005 our raw material expenses / purchases was Rs. 296.76 lacs constituting 85.72% of net sales while our raw material expenses / purchases in fiscal 2006 was Rs. 822.72 lacs, constituting 90.35 % of net sales.

Manufacturing Expenses – Our manufacturing cost was Rs. 17.26 lacs in fiscal 2005 i.e. 4.98 % of net sales, as compared to Rs. 24.67 lacs in fiscal 2006, which represented 2.71 % of net sales.

Administrative – The administrative expenses rose by 6.48 % from being Rs. 24.90 lacs in fiscal 2005 to Rs. 26.51 lacs in the fiscal 2006. As a percentage of net sales it dropped from being 7.19 % in fiscal 2005 to 2.91 % in fiscal 2006.

Employee Expenses – Employee expenses increased from Rs. 17.84 lacs in fiscal 2005 to Rs. 23.07 lacs in fiscal 2006, i.e increasing by 29.34 %. As a percentage of net sales it declined from bring 5.15 % in fiscal 2005 to 2.53 % in fiscal 2006.

Interest and Bank Charges – Interest expenses amounted to Rs. 18.94 lacs in fiscal 2006 as compared to Rs. 15.49 lacs in fiscal 2005, representing an increase of 22.25 %.

Depreciation – Depreciation amounted to Rs. 8.14 lacs in fiscal 2006 as compared to Rs. 11.40 lacs in fiscal 2005.

Provision for Taxation –The provision for current tax for the fiscal 2006 was Rs. 6.00 lacs and FBT Rs. 1.34 lacs as compared to provision for current tax of Rs. 1.08 lacs and deferred tax provision of Rs. 4.44 lacs for the fiscal 2005.

Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA) – We recorded EBIDTA of Rs. 95.50 lacs in fiscal 2006 as against EBIDTA of Rs. 36.03 lacs in fiscal 2005.

Net Profit after tax – Our Net Profit for the fiscal 2006 stood at Rs. 57.09 lacs as against Rs. 6.16 lacs for the fiscal 2005.

Comparison of Year ended March 31st, 2005 with year ended March 31st, 2004

Komet Wire Industries Private Limited was amalgamated with the Rishabhdev Technocable Limited w.e.f April 1, 2004 by the order of Honorable High Court of Bombay Vide its order dated 07/10/2005. So the financial year 2004-05 was the first year in which the merged financials were prepared. The financials of the year 2003-04 are standalone financial of Rishabhdev Technocable Limited.

Income

Sales – Our sales in fiscal 2005 was Rs. 346.21 lacs as against Rs. 93.82 lacs in the fiscal 2004.

Other Income – Our other income decreased from being Rs. 7.10 lacs in fiscal 2004 to Rs. 4.24 lacs in fiscal 2005.

Expenditure

Raw Material Expenses – In fiscal 2004 our consumption of raw material / purchases was Rs. 55.27 lacs, constituting 58.91 % of net sales while our consumption of raw material / purchases in 2005 was Rs. 296.76 lacs, constituting 85.72 % of net sales.

Manufacturing Expenses – Our manufacturing cost was Rs. 17.26 lacs in fiscal 2005 i.e. 4.98 % of net sales, as compared to Rs. nil in fiscal 2004. Our Company started its trial production in the end of Fiscal 2004.

Administrative – The administrative expenses rose from being Rs. 7.55 lacs in fiscal 2004 to Rs. 24.90 lacs in the fiscal 2005. As a percentage of net sales it decreased from 8.04 % in fiscal 2004 to 7.19 % in fiscal 2005.

Employee Expenses – Employee expenses increased from Rs. 3.09 lacs in fiscal 2004 to Rs. 17.84 lacs in fiscal 2005. As a percentage of net sales it increased from bring 3.30 % in fiscal 2004 to 5.15 % in fiscal 2005.

Interest – Interest expenses amounted to Rs. 15.49 lacs in fiscal 2005 as compared to Rs. 5.97 lacs in fiscal 2004.

Depreciation – Depreciation amounted to Rs. 3.03 lacs in fiscal 2004 as compared to Rs. 8.14 lacs in fiscal 2005.

Rishabhdev Technocable Limited

Provision for Taxation –The provision for current tax for the fiscal 2005 was Rs. 1.08 lacs as compared to Rs. 0.02 lacs for the fiscal 2004. The provision for deferred tax liability amounted to Rs. 4.44 lacs in the fiscal as against Rs. 0.73 for the fiscal 2004.

Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA) – We recorded EBIDTA of Rs. 36.03 lacs in fiscal 2005 as against EBIDTA of Rs. 10.04 lacs in fiscal 2004.

Net Profit after tax – Our Net Profit for the fiscal 2005 stood at Rs. 6.16 lacs as against a net loss of Rs. 0.54 lacs in the fiscal 2004.

Liquidity and Capital Resources

Our primary liquidity requirements are to finance our working capital needs and our capital expenditure. We require working capital to finance the purchase of raw materials, make necessary advances to suppliers and undertake our processing and manufacturing activities before full payment is received from our customers. To fund these costs, we have relied on short-term and long-term borrowings, including working capital financing, term loans and cash flows from operating activities.

Cash Flows

The following table summarizes our cash flows for each of the years ended March 31st, 2004, 2005, 2006, 2007, and 2008 and for the period of nine month ended December 31, 2008

(Rs. in Lacs)

Particulars	For the year ended March 31st					For the period of 9 months ended December 31st
	2004	2005	2006	2007	2008	2008
Net Cash flow from operating activities	(7.54)	(99.57)	40.24	(38.26)	(204.87)	100.70
Net Cash flow from investing activities	(4.92)	42.79	(68.60)	(84.55)	(461.69)	(410.81)
Net Cash flow from financing activities	5.51	64.87	11.97	125.39	684.51	301.33
Net increase / (decrease) in cash and cash equivalents	2.90	8.10	(16.40)	2.57	17.95	(8.79)

Operating Activities

Cash flow from operating activities mainly depends on our operating profits and changes in net working capital. The following table summarizes our cash flows from operations for each of the years ended March 31st, 2004, 2005, 2006, 2007, and 2008 and for the period of nine month ended December 31, 2008

(Rs. in Lacs)

Particulars	For the year ended March 31st					For the period of 9 months ended December 31st
	2004	2005	2006	2007	2008	2008
Net Profit before tax and extraordinary items	0.20	11.67	64.43	93.20	301.35	315.99
Operating profit before working capital changes	3.46	31.73	95.35	133.60	374.11	374.44
Adjustment for changes in working capital	(10.26)	(140.21)	(48.19)	(158.38)	(544.07)	(242.70)
Cash Generated from operations	(6.79)	(108.48)	47.16	(24.77)	(169.96)	131.75
Direct Taxes Paid / Provisions Adjusted	0.74	5.52	7.34	12.74	34.91	31.05
Cash Flow before Extraordinary Items	(7.54)	(113.99)	39.82	(37.51)	(204.87)	100.70

Rishabhdev Technocable Limited

Extraordinary Items and Prior Period Adjustment	-	14.42	0.42	(0.75)	-	-
Net Cash from operating activities	(7.54)	(99.57)	40.24	(38.26)	(204.87)	100.70

Net cash generated from our operating activities in the first nine months of fiscal 2009 i.e till December 2008 was Rs. 100.70 lacs, reflecting a net profit before tax and extraordinary items of Rs. 315.99 lacs, depreciation of Rs. 23.85 lacs, interest income of Rs.0.45 lacs and interest expense of Rs.35.05 lacs. Working capital adjustment included increase in trade and other receivables of Rs. 201.50 lacs, decrease in inventories of Rs.17.15 lacs and decrease in trade and other payables of Rs.58.35 lacs. After adjusting for taxes and provision of Rs. 31.05 lacs, the net cash flow from operating activities was Rs. 100.70 lacs in the first nine months of the fiscal 2009 i.e till December 31, 2008.

Net cash generated from our operating activities in the fiscal 2008 was Rs. (204.87) lacs, reflecting a net profit before tax and extraordinary items of Rs. 301.35 lacs, depreciation and preliminary expenses write off of Rs. 26.41 lacs, loss on sale of fixed asset of Rs. 5.42 lacs, interest income of Rs.0.10 lacs and interest expense of Rs.41.04 lacs. Working capital adjustment included increase in trade and other receivables of Rs. 551.62 lacs, increase in inventories of Rs.227.83 lacs and increase in trade and other payables of Rs.235.38 lacs. After adjusting for taxes and provision of Rs. 34.91 lacs, the net cash flow from operating activities was Rs.(204.87) lacs in the fiscal 2008. During the fiscal 2007 there was increase in trade and other receivables of Rs. 551.62 lacs and inventories of Rs. 227.83 lacs. Such increase in trade & other receivables and inventories was on account of significant rise in Sales during the fiscal 2008, which rose by about 195% on account of modernization program initiated in existing facilities and also our Company started manufacturing power cables on a major level. Thus the corresponding effect of increase in sales can be seen on increase in trade receivables and inventories during the period, resulting in cash flow from operating activities being negative to the extent of Rs. (204.87) lacs.

Net cash generated from our operating activities in the fiscal 2007 was Rs. (38.26) lacs, reflecting a net profit before tax and extraordinary items of Rs.93.20 lacs, depreciation and preliminary expenses write off of Rs. 15.63 lacs, loss on sale of fixed asset of Rs. 0.68 lacs, interest income of Rs.0.13 lacs and interest expense of Rs.24.23 lacs. Working capital adjustments include increase in trade and other receivables of Rs. 117.12 lacs, increase in inventories of Rs.32.84 lacs and decrease in trade and other payables of Rs.9.16 lacs. Taxes and provision consisted of Rs. 12.74 lacs. The net cash flow from operating activities was Rs. (38.26) lacs in the fiscal 2007. Thus, the negative cash flow from operating activities to the tune of Rs. (38.26) lacs was primarily on account of increase in trade and other receivables of Rs. 117.12 lacs and increase in inventories of Rs. 32.84 lacs.

Net cash generated from our operating activities in the fiscal 2006 was Rs.40.24 lacs, reflecting a net profit before tax and extraordinary items of Rs. 64.43 lacs, depreciation and preliminary expenses write off of Rs. 12.13 lacs, interest income of Rs.0.15 lacs and interest expense of Rs.18.94 lacs. Working capital adjustments include increase in trade and other receivables of Rs. 139.41 lacs, increase in inventories of Rs.43.10 lacs and increase in trade and other payables of Rs.134.73 lacs. Taxes and provision consisted of Rs. 7.34 lacs. Thus, the net cash generated from operating activities was Rs.40.24 lacs in the fiscal 2006.

Net cash generated from our operating activities in the fiscal 2005 was Rs. (99.57) lacs, reflecting a net profit before tax and extraordinary items of Rs.11.67 lacs, depreciation and preliminary expenses write off of Rs. 8.87 lacs, profit on sale of investment of Rs. 4.12 lacs, loss on sale of Investment of Rs. 0.18 lacs and interest expense of Rs.15.49 lacs. Working capital adjustment included increase in trade and other receivables of Rs. 25.59 lacs, increase in inventories of Rs.151.32 lacs and increase in trade and other payables of Rs.37.41 lacs. After adjusting for taxes and provision of Rs. 5.52 lacs and extraordinary item of Rs. 13.71 lacs on account of amalgamation and prior period adjustment, the net cash flow from operating activities was Rs. (99.57) lacs in the fiscal 2005. Thus, the negative cash flow from operating activities of Rs. (99.57) lacs was primarily on account of increase in inventories of Rs. 151.32 lacs and trade receivables of Rs 25.59 lacs.

Net cash generated from our operating activities in the fiscal 2004 was Rs. (7.54) lacs, reflecting a net profit before tax and extraordinary items of Rs. 0.20 lacs, depreciation and preliminary expenses write off of Rs. 3.88 lacs, interest income of Rs.6.58 lacs and interest expense of Rs.5.97 lacs. Working capital adjustment included increase in trade and other receivables of Rs. 6.91 lacs, decrease in inventories of Rs. 24.98 lacs and decrease in trade and other payables of Rs.28.71 lacs. After adjusting for taxes and provision of Rs. 0.74 lacs and extraordinary item of Rs. 0.38 lacs on account of prior period adjustment, the net cash flow from operating activities was Rs. (7.54) lacs in the fiscal 2004. Thus the negative cash flow from operating activities of Rs. (7.54) lacs was primarily on account of decrease in trade and other payable of Rs. 28.71 lacs.

Rishabhdev Technocable Limited*Investment Activities*

The following table summarizes our cash flows from investing activities for each of the years ended March 31, 2004, 2005, 2006, 2007, and 2008 and for the period of nine month ended December 31, 2008 –

(Rs. in Lacs)

Particulars	For the year ended March 31st					For the period of 9 months ended December 31st
	2004	2005	2006	2007	2008	2008
Purchase of Fixed Assets	(1.66)	41.90	(68.75)	(89.68)	(461.79)	(411.26)
Net Proceeds from Sale of Investments	-	80.58	-	-	-	-
Proceeds from Sale of Fixed Assets	-	4.12	-	5.00	-	-
Interest Received	6.58	-	0.15	0.13	0.10	0.45
Net Cash (used in) / from Investing Activities	4.92	42.79	(68.60)	(84.55)	(461.69)	(410.81)

Net Cash flow from investing activities in the first nine months of fiscal 2009 i.e till December, 2008 was Rs. (410.81) lacs. It was primarily a result of purchase of fixed asset of Rs. (411.26) lacs and interest receipt of Rs.0.45 lacs.

Net Cash flow from investing activities in the fiscal 2008 was Rs. (461.69) lacs. It was primarily a result of purchase of fixed asset of Rs. (461.79) lacs and interest receipt of Rs.0.10 lacs.

Net Cash flow from investing activities in the fiscal 2007 was Rs. (84.55) lacs. It was primarily a result of purchase of fixed asset of Rs.89.68 lacs, proceeds from sale of fixed assets of Rs. 5 lacs and interest receipt of Rs.0.13 lacs.

Net Cash flow from investing activities in the fiscal 2006 was Rs. (68.60) lacs. It was primarily a result of purchase of fixed asset of Rs. 68.75 lacs and interest receipt of Rs. 0.15 lacs.

Net Cash flow from investing activities in the fiscal 2005 was Rs.42.79 lacs. It was primarily a result of purchase of fixed assets of Rs. 41.90 lacs, net proceeds from sale of investments of Rs.80.58 lacs and proceeds from sale of fixed assets of Rs. 4.12 lacs.

Net Cash flow from investing activities in the fiscal 2004 was Rs. 4.92 lacs. It was primarily a result of net purchase of fixed asset of Rs.1.66 lacs and interest receipt of Rs. 6.58 lacs.

Financing Activities

The following table summarizes our cash flows from financing activities for each of the years ended March 31st, 2004, 2005, 2006, 2007, and 2008 and for the period of nine month ended December 31, 2008

(Rs. in Lacs)

Particulars	For the year ended March 31st					For the period of 9 months ended December 31st
	2004	2005	2006	2007	2008	2008
Proceeds from Call Money of Share Capital	-	-	9.29	48.15	187.05	-
Proceeds of share application money	-	-	-	-	-	721.00
Proceeds of Loans from Banks / Institutions	11.48	65.60	25.34	108.93	230.58	(24.03)
Proceeds / (Repayment) of Unsecured Loans	-	14.76	(3.73)	(7.47)	374.48	(360.60)

Rishabhdev Technocable Limited

Loans						
Dividend Paid (Including Tax)	-	-	-	-	(66.56)	-
Interest and Finance charges paid	(5.97)	(15.49)	(18.94)	(24.23)	(41.04)	(35.05)
Net Cash (used in) / from financing activities	5.51	64.87	11.97	125.39	684.51	301.33

Net cash flow from financing activities in the first nine months of fiscal 2009 i.e till December 31, 2009 was Rs. 301.33 lacs, primarily comprising of proceeds of share application money of Rs.721.00 lacs, repayment of loan of banks of Rs. 24.03 lacs, repayment / conversion of unsecured loans to share application money of Rs. 360.60 lacs, interest and finance charges of Rs. 35.05 lacs, thus resulting in net cash from financing activities being Rs. 301.33 lacs.

Net cash flow from financing activities in the fiscal 2008 was Rs.684.51 lacs, primarily comprising of proceeds of call money on share capital to the tune of Rs.187.05 lacs, proceeds of loans from banks of Rs. 230.58 lacs, net proceeds of unsecured loans from directors and others of Rs. 374.48 lacs, offset by dividend payment of Rs. 66.56 lacs and interest and finance charges of Rs.41.04 lacs, resulting in net cash from financing activities being Rs.684.51 lacs.

Net cash flow from financing activities in the fiscal 2007 was Rs.125.39 lacs, primarily comprising of proceeds of call money on share capital to the tune of Rs. 48.15 lacs, proceeds of loans from banks of Rs. 108.93 lacs, offset by repayment of unsecured loans of Rs.7.47 lacs and interest and finance charges of Rs. 24.23 lacs, resulting in net cash from financing activities being Rs.125.39 lacs.

Net cash flow from financing activities in the fiscal 2006 was Rs.11.97 lacs, primarily comprising of proceeds of call money on share capital to the tune of Rs.9.29 lacs, proceeds of loans from banks of Rs.25.34 lacs, offset by repayment of unsecured loans of Rs.3.73 lacs and interest and finance charges of Rs. 18.94 lacs resulting in net cash from financing activities being Rs.11.97 lacs.

Net cash flow from financing activities in the fiscal 2005 was Rs.64.87 lacs, primarily comprising of proceeds of loans from banks of Rs. 65.60 lacs, unsecured loans of Rs. 14.76 lacs, offset by interest and finance charges of Rs. 15.49 lacs resulting in net cash from financing activities being Rs.64.87 lacs.

Net cash flow from financing activities in the fiscal 2004 was Rs.5.51 lacs. It primarily consisted of proceeds of loans from banks of Rs. 11.48 lacs, offset by interest and finance charge of Rs. 5.97 lacs, resulting in net cash used in financing activities being Rs.5.51 lacs.

Indebtedness

The following table shows our indebtedness as on December 31, 2008

(Rs. in Lacs)

Indebtedness	Outstanding as on December 31, 2008
Secured Loans	444.60
Unsecured Debt	17.44
Total	462.04

Planned Capital Expenditure

In order to strengthen our position we propose a capital expenditure for the modernization cum expansion of our existing facilities and for setting up of two units for manufacture of Power and Control cables. The expansion would enable us to operate on a large scale. The total capital expenditure is expected to be Rs. 3376.76 lacs and working capital margin is estimated to be Rs. 366.71 lacs.

The cost of expansion of existing unit and setting up of new units is forth below:

(Rs. in Lacs)

Particulars	Amount
Expansion of existing unit at Daman (Unit I)	295.30
Setting up of new unit at Daman for Control Cables (Unit II)	582.35
Setting up on new unit at Silvassa for Power Cables (Unit III)	2499.11
Margin Money for Working Capital Requirement	366.71

For more details on the proposed capital expenditure please refer to the Section titled “Objects of the Issue” beginning on page no. 32 of this Red Herring Prospectus.

Related Party Transaction

For details on related party transaction please refer to “Statement of Transactions with Related Parties” under the sections titled “Financial Statements” beginning on page no. 107 of this Red Herring Prospectus.

Financial Market Risks

We are exposed to financial market risks from changes in interest rates and inflation.

Interest Rate Risk – Our interest rate risk arises from short term and long-term borrowings. Borrowings obtained at variable rate expose us to cash flow interest rate risk. Many of our existing loan as well as loans which we propose to raise to fund our proposed capital expenditure would be linked to respective bank PLR, any rise in interest rates could have our bankers to push for a higher rate of interest on the loans.

Inflation Risk – We are affected by inflation as any rise in inflation may lead to increment in cost of raw materials, fuel and power cost, employee cost, etc.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent” during the last three years.

Significant Economic Changes affecting our operations

Any major change in the policies of the government may have a significant impact on our operations.

Except the above, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

Known trends or uncertainties

Other than described in the sections titled “Risk Factors” and “Management Discussion and Analysis of Financial Condition and Result of Operations” beginning on page nos. x and 111, respectively of this Red Herring Prospectus, and elsewhere in this Red Herring Prospectus, there are to our knowledge no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Significant Developments after December 31, 2008

Except as stated below no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading, profitability, reserves, earnings per share, book value of our Company, or their ability to pay their material liabilities within the next 12 months.

Following are the significant developments after December 31, 2008.

Our claim of deduction of an amount of Rs. 62.07 lacs for AY 2006-2007 u/s. 80IB of the Income Tax Act, 1961 has been rejected and a demand notice of Rs. 21.05 lacs is issued to our Company. For further details, please refer the section titled “Outstanding Litigations and Material Developments” starting from page no. 128 of this Red herring Prospectus.

Future relationship between costs and income

Other than described in the sections titled “Risk Factors” and “Management Discussion and Analysis of Financial Condition and Result of Operations” beginning on page no. x and 111, respectively of this Red Herring Prospectus, and elsewhere in this Red Herring Prospectus, there are to our knowledge no known factors which would have a material adverse impact on the relationship between costs and income of our company.

Extent to which business is seasonal

The business of our Company is not seasonal in nature.

Significant dependence on a single or few suppliers or customers

Our Company sources raw materials from a number of suppliers and there is no such threat of excessive dependence on any single or few suppliers. Similarly our Company has customers spread all across domestically, so there is no such threat of dependence on any single or few customers.

FINANCIAL INDEBTEDNESS

I. Secured Loans

Set forth below is a brief summary of the secured borrowings of our Company -

Sr. No.	Name of Lender	Amount Sanctioned	Amount Outstanding as on December 31, 2008	Interest Rate	Nature of security	Purpose	Repayment Schedule
1.	IDBI (Erstwhile United Western Bank Limited)	Rs. 100 lacs (Term Loan)	Rs. 81,47,325/-	PLR + 0.75 % p.a.	Hypothecation of various machinery and equipments. Equitable Mortgage of Danman Plant situated at Adishwar Complex, Survey No. 731/1, 730/4, Vapi, Daman Road, Daman. Equitable Mortgage of flat No. 301 and 302 on 3 rd floor, B wing, Gokul Heights CHS, Thakur complex, kandivali (East), Mumbai. Personal Guarantees of the Directors.	Purchase of Machinery and Equipment	Monthly Rs. 2,70,800/-
2.	IDBI Bank Ltd (Erstwhile United Western Bank Limited)	1) Rs. 330 Lacs (Cash Credit)	1)Rs. 3,34,95,203/-	1) PLR + 0.25 % p.a.	Hypothecation of Inventory and Book Debts upto 90 days. Equitable Mortgage of Danman Plant situated at Adishwar Complex, Survey No. 731/1, 730/4, Vapi, Daman Road, Daman. Equitable Mortgage of flat No. 301 and 302 on 3 rd floor, B wing, Gokul Heights CHS, Thakur complex, kandivali (East). Personal Guarantees of the Directors.	1) Working Capital	
3.	IDBI Bank – Andheri (W)	Rs. 13.39 Lacs	Rs. 10,52,325/-	PLR + 0.75% p.a.	Vehicle - Endeavour Hurricane (costing Rs. 16,87,419/-) (Guarantors are Mr. Sunil and Kamal Chand Golchha).	Purchase of Vehicle	Monthly - Rs. 36,600/-
4.	ICICI Bank	Rs. 3.34 Lacs	Rs. 2,05,697/-	13.50% p.a.	Vehicle – Spark (Costing Rs. 4,18,450/-)	Purchase of Vehicle	Monthly - Rs. 12,075/-
5.	ICICI Bank	Rs. 18.25 Lacs	Rs. 15,58,954/-	11.52% p.a.	Vehicle – Camry (Costing Rs. 23,83,000/-)	Purchase of Vehicle	Monthly - Rs. 66,320/-

The banks and financial institutions have advanced/ sanctioned loans to our Company in pursuance of sanction letters issued by them. Some of the restrictive covenants generally imposed are listed herein below. Our Company will not be in a position to undertake any of the following transactions without the consent of the concerned bank or financial institution:

- Effect any change in our capital structure
- Formulate any scheme of amalgamation
- Undertake any new project schemes
- Invest by way of share capital in or lend or advance funds to or place deposits with any other company
- Enter into borrowing arrangements either secured or unsecured with any other banks, financial institutions, company or otherwise
- Undertake guarantee obligations on behalf of our company

- Declare dividends for any year except out of profits relating to any financial year

II. Unsecured Loan

Sr. No.	Name of Lender	Amount	Amount Outstanding as on December 31, 2008	Interest Rate	Purpose	Repayment Schedule
1.	HDFC Bank Loan	Rs. 7,50,000/-	Rs. 2,65,996/-	18.00% p.a.	Business Loan to meet the short term working capital requirement.	Monthly EMI of Rs. 27,113
2.	Kotak Mahindra Bank Loan	Rs. 7,50,000/-	Rs. 38,119/-	10.99% p.a.	Business Loans to meet the short term working capital requirement.	Monthly EMI of Rs, 38,119
3.	Mr. Sunil Golchha*	Rs. 11,25,000/-	Rs. 11,25,000/-	Nil	To undertake the expansion cum modernization program	Repayable on demand
4.	Mr. Kamal Chand Golchha*	Rs. 3,15,000/-	Rs. 3,15,000/-	Nil	To undertake the expansion cum modernization program	Repayable on demand

*The unsecured loan was converted into share application money vide board resolution dated July 25, 2008.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Income Tax related

By an Assessment Order dated December 26, 2008 made under the provisions of section 143(3) of the Income Tax Act, 1961 (“IT Act”) the Assistant Commissioner of Income Tax, Range 8(3), Mumbai has rejected the claim made by our Company for deduction of an amount of Rs. 62.07 lacs u/s. 80IB of the IT Act for AY 2006-2007 on the following grounds -

- The claim for deduction is made in the 12th year of formation of our Company, whereas the provisions of section 80IB(4) state that no unit can claim deduction after ten years beginning with the initial assessment year;
- Form No. 10CCB which is to be compulsorily filed to claim deduction u/s. 80IB has not been done;
- Section 80IB(2) of the IT Act provides that where machinery which was previously used for any other purpose (if it exceeds 20% of the total value of the plant and machinery used in the undertaking) is used for the purposes of setting up of new business then the deduction under the said Section is not available. The tax authorities have claimed that at the time of merger of KWIPL with our Company in the year 2004, plant and machinery worth Rs. 65.02 lacs was transferred to our Company. Without the plant and machinery transferred by KWIPL to our Company, no production would be possible and even if our Company and KWIPL are regarded as two separate units, our Company would not satisfy the aforesaid condition;
- Our Company could not have claimed the deduction in pursuance of the amalgamation of KWIPL with itself since KWIPL itself was in existence for over 12 years during AY 2004-05.

A demand notice dated January 20, 2009 for Rs. 21.05 lacs was issued to our Company. Aggrieved by the Order, our Company has filed an Appeal on January 29, 2009 before the Commissioner of Income Tax (Appeals) and prayed that the deduction of claim u/s. 80IB should be allowed to our Company on the following grounds –

- Our Company has fulfilled all the conditions laid down u/s 80IB of the Income Tax Act;
- Our Company has formed a separate industrial undertaking located at Daman, which falls in an industrially backward area specified in the Eight Schedule and that this was the third year of claim of deduction under the said section beginning from the AY 2004-05;
- Our Company has relied on 80IB(12), which states that the provisions of the section would apply to an amalgamated or resulting company as if they would have applied to such companies, if the amalgamation or demerger had not taken place and therefore, the question of transfer of fixed assets does not arise and the scaled limit of 20% as per the provisions of section 80IB(2) of the said Act do not arise;
- That both units are located at Daman in the same area with the same directors and in the same line of business.

Our Company has therefore prayed that the deduction of claim u/s 80IB should be allowed to our Company.

Save as aforesaid, there is no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigation for tax liabilities against our Company, our Directors or our Promoter and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoter or Directors. Further, except as stated in this Red Herring Prospectus, there are no past cases in which penalties have been imposed on our Company or our Promoter, by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Without prejudice to the generality of the aforesaid, we confirm as under:

- There is no litigation pending against our Directors/Promoters or our Company involving Criminal laws
- There is no litigation pending against our Directors/Promoters or our Company involving violation of securities and economic laws

- There is no litigation pending against our Directors/Promoters or our Company involving violation of statutory laws
- There is no litigation pending against our Directors/Promoters or our Company involving violation of civil laws
- There is no litigation pending against our Directors/Promoters or our Company involving violation of labour laws
- There is no litigation pending against our Directors/Promoters or our Company involving violation of consumer laws

B. Material Developments since the last balance sheet date:

Except as stated elsewhere in the Red Herring Prospectus, including the section titled “Management Discussions and Analysis of Financial Statements and Results of Operations” on page no. 111 of this Red Herring Prospectus and our financial statements included herein, no material developments have taken place after December 31, 2008, the date of the latest balance sheet that would materially affect the performance or prospects of our Company.

GOVERNMENT APPROVALS

Our Company has, received all the necessary licenses, permissions and approvals, including renewals thereof from the Central and State Governments and other Government agencies/certification bodies and we can undertake this Issue and our current and proposed business activities except specified hereinafter. No further major approvals from any Governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities except as mentioned herein.

It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed.

[A] APPROVALS FOR THE ISSUE

In principle approval from the BSE dated September 24, 2008;
 In principle approval from the PSE dated November 10, 2008; and
 In principle approval from the JSE dated October 14, 2008

[B] APPROVALS/LICENSES/PERMISSIONS RECEIVED TO CONDUCT OUR BUSINESS

(i) Constitutional Registration

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue
1	Certificate of Incorporation	11-83244	Registrar of Companies, Maharashtra	24.11.94
2.	Certificate for Commencement of Business	11-83244	Registrar of Companies, Maharashtra	17.01.95

(ii) Taxation Registration

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue
1	Permanent Account Number (PAN)	AAACR2962D	Government of India Director of Income Tax	-
2	Importer- Exporter Code (IEC)	0305035771	Government of India, Ministry of Commerce, Office of Joint Director General of Foreign Trade, Maharashtra	22.08.05
3	Central Excise Registration Certificate	AAACR2962DXM001	Deputy Commissioner of Central Excise, Daman	01.12.05
4	Tax Deduction Account (TAN) Number	MUM R 13500E	Government of India Director of Income Tax	-
5	Service Tax Code	AAACR2962DST001	Office of the Assistant Commissioner of Central Excise South Daman Division.	11.04.05
6	Central Sales Tax Registration	DA(CST)/6464	Assistant Sales Tax Officer, Daman Ward, Administration of Daman and Diu.	07.08.03
7.	VAT TIN	25000007023	UT Administration of Daman and Diu, Department of Value Added Tax, Daman	14.08.03

(iii) Labour Registration

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of commencement/Issue	Date of expiry
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Rishabhdev Technocable Limited

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of commencement/Issue	Date of expiry
1.	Employees Provident Fund Registration	GJ/VAPI/47045	Government of India, Ministry of Labour Assistant Provident Fund Commissioner, Sub Regional Office, Vapi	15.02.07	NA

(iv) Approvals For the factory Units/Offices

Sr. No.	Nature of Registration /License	Registration /License No.	Issuing Authority	Factory Unit Offices	Date of commencement/ Issue	Date of expiry
1.	Shops and Establishment Registration	760047424 / Commercial II	Inspector under the Shops and Establishment Act, 1948	Unit No. 53, 1st floor, Jagat Satguru Industrial Premises Co-Operative Society Limited, Goregaon Mumbai	30.4.08	31.12.11
2.	Factory License	2336	The Chief Inspector of Factories	Unit situate at Village Dabhel, Daman.	30.3.04	31.12.09
3.	Bureau of Indian Standards IS No: 1554: Part I: 1998	CML No.7552781	Bureau of Indian Standard, Mumbai	NA	10.7.08	21.06. 09
4.	Bureau of Indian Standards IS No: 694: Part I: 1990	CML No.7552882	Bureau of Indian Standard, Mumbai	NA	10.7.08	21.06.09
5.	Air Pollution	PCC/DDD/G-3255/AA/DB/03-04/2275	Member Secretary, Pollution Control Committee, Daman and Diu and Dadra and Nagar Haveli	Unit situate at 730/1 and 4 and 731/1, Village Dabhel, Daman	31.03.09	31.09.09
6.	Water Pollution	PCC/DDD/G-3255/WA/DB/03-04/2274	Member Secretary, Pollution Control Committee, Daman and Diu and Dadra and Nagar Haveli	Unit situated at 731/2, Village Dabhel, Daman	31.03.09	31.09.09

[C] PENDING APPROVALS/LICENSES/PERMISSIONS FOR WHICH APPLICATION HAS BEEN MADE:

Sr. No.	Nature of Registration / License	Date of Application	Issuing Authority	Purpose/ Plants/offices for which said licenses is applied for
1.	Trade Mark	16/05/2008	The Registrar of Trade Mark	Name Registration

[D] WE HAVE MADE APPLICATIONS FOR RENEWAL OF THE FOLLOWING LICENSES:

Sr. No.	Nature of Registration / License	Date of Application	Issuing Authority	Purpose/ Plants/offices for which said licenses is applied for
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Rishabhdev Technocable Limited

1.	Factory License	02/01/2006	The Chief Inspector of Factories	Unit situate at 730/1 and 4 and 731/1, Village Dabhel, Daman
2.	Water Pollution	03/06/2008	Member Secretary, Pollution Control Committee, Daman and Diu and Dadra and Nagar Haveli	Unit situate at 730/1 and 4 and 731/1, Village Dabhel, Daman
3.	Air Pollution	25/07/2008	Member Secretary, Pollution Control Committee, Daman and Diu and Dadra and Nagar Haveli	Unit situated at 731/1, Village Dabhel, Daman

Our Company has, as on date, not applied for the licenses and approvals, necessary for the expansion of the existing Unit I and the new Unit II and Unit III proposed to be set up by it. Failure to obtain these approvals will impact our growth plans and be detrimental to our business.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have pursuant to a resolution dated May 29, 2008 authorized this Issue subject to approval by the shareholders of our Company. The shareholders of our Company have approved this Issue under section 81(1A) of the Companies Act, 1956 by a special resolution passed at our Extra Ordinary General Meeting held on June 23, 2008.

Prohibition by SEBI

Our Company, our Promoters, our Directors or person(s) in control of the promoter or the Promoter Group and the entities in which the 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 directions passed by SEBI.

Further, none of our Promoters, relatives of the Promoters, Associates, Promoters Group Companies and its Directors and the companies in which the Directors are associated as directors, have not been declared as willful defaulters by RBI / any other Government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

Eligibility for the Issue

Since, our Company is a listed Company, it is eligible to make a public issue of Equity Shares as per Clause 2.3.1 of the SEBI Guidelines as the aggregate of the Issue and all previous issues made in the same financial year in terms of size (i.e., Issue through Issue document + firm allotment + Promoters' contribution through the Issue document), does not exceed 5 times its pre-issue net worth as per the audited balance sheet of the last financial year. The detailed working of the same is mentioned hereunder:

		(Rs. In Lacs)
a).	Proposed Issue Size	[●]
b).	All previous issues made in the same Financial Year in terms of size (i.e. Issue through issue document + firm allotment + Promoters' Contribution through the issue document)	-
c).	Aggregate of (a) and (b)	[●]
d).	Pre-Issue net worth as per the last audited balance sheet for the Financial Year ended March 31, 2008	930.18
e).	Five (5) times of (d)	4,650.90

In terms of a certificate issued dated April 27, 2009 by M/s. Bharat J. Rughani & Co., Chartered Accountants, Statutory Auditors of our Company, our Company satisfies the eligibility criteria mentioned herein above.

We hereby undertake that the proposed Issue Size will not exceed Rs. 4650.90 lacs being five times of Pre-Issue net worth as per the audited balance sheet for the year ended March 31, 2008.

Further, there is no change in the name of our Company within the last one year (reckoned from the date of filing of the Red Herring Prospectus)

For a complete explanation of the above figures please refer to the section titled "Financial Statements" beginning on page no. 88 of this Red Herring Prospectus

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 THE SUBMISSION OF THE 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 MANAGERS, IDBI CAPITAL MARKET SERVICES LIMITED AND PL CAPITAL MARKETS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURES AND INVESTOR

PROTECTION) GUIDELINES, 2000, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CAREFULLY UNDERSTOOD THAT WHILE THE ISSUER 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, IDBI CAPITAL MARKET SERVICES LIMITED AND PL CAPITAL MARKETS PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, IDBI CAPITAL MARKET SERVICES LIMITED AND PL CAPITAL MARKETS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATES DATED AUGUST 4, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS, MORE PARTICULARLY REFERRED TO IN THE ANNEXURE, IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.
3. BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS
6. WE CERTIFY THAT CLAUSE 4.6 OF THE SECURITIES EXCHANGE BOARD OF INDIA (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH, RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, WILL BE 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 SECURITIES EXCHANGE BOARD OF INDIA (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS

WILL BE MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS WILL BE MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.

8. WE CERTIFY THAT THE PROVISIONS UNDER CLAUSE 4.10 {SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE} OF THE SECURITIES EXCHANGE BOARD OF INDIA (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 ARE NOT APPLICABLE IN THIS ISSUE.
9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
10. WE CONFIRM THAT THE NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES 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 MONEY SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SHALL SPECIFICALLY CONTAIN THIS CONDITION.
11. WE CONFIRM THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.
12. WE CERTIFY THAT SINCE THE PROPOSED ISSUE SIZE IS MORE THAN RS. 10 CRORES, THE PROVISION RELATING TO OPTION TO THE INVESTORS TO GET THE SHARES IN PHYSICAL MODE IS NOT APPLICABLE IN TERMS OF SECTION 68B OF THE COMPANIES ACT, 1956.
13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - i. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY
 - ii. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURES AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

THE FILING OF DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM MANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN OFFER DOCUMENT.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Disclaimer from our Company and the BRLMs and the Co-BRLM

Our Company, our Directors the BRLMs and the Co-BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.rtlcables.com would be doing so at his or her own risk.

The BRLMs and the Co-BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding dated July 21, 2008 entered into between the BRLMs and our Company and MOU between the CO-BRLM and our Company dated April 22, 2009 and the Underwriting Agreement entered into between the Underwriters and our Company dated May 11, 2009.

All information shall be made available by us, the BRLMs and the Co-BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere. We shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system otherwise.

Neither our Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software or hardware system or otherwise.

CAUTION

As a matter of abundant caution attention of the applicants is specifically drawn to the provisions of subsection (1) of Section 68A of the Companies Act, 1956, 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."**

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act 1860, as amended from time to time applicable trust laws or any other Trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to permitted Non Residents, including FIIs, eligible NRIs and other eligible foreign investors, Registered with SEBI. The Red Herring Prospectus does not, however, constitute an invitation to subscribe to equity shares offered hereby in any other jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about and to observe any such restrictions. Any 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 the Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities law in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act.

Further, each Bidder, where required will be required to agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any so called P-Notes or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of BSE

As required, a copy of the Red Herring Prospectus has been submitted to the BSE (the Designated Stock Exchange).

“Bombay Stock Exchange Limited (“Exchange”) vide its letter dated September 24, 2008 has given permission to our Company to use the Exchange's name in this Red Herring Prospectus as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized the Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company.

The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on the exchange; 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 the Red Herring Prospectus has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which 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 JSE

Jaipur Stock Exchange Ltd. (“the Exchange”) vide its letter dated October 14, 2008 has given permission to this Company to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Company's securities are proposed to be listed.

It is distinctly understood that the permission given by the Jaipur stock Exchange Ltd. should not in any way be deemed or constructed that the Red Herring Prospectus has been cleared or approved by Jaipur Stock Exchange Ltd. nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The Investors are advised to refer to the Red Herring Prospectus for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Disclaimer Clause of PSE

Pune Stock Exchange Ltd. (“the Exchange”) vide its letter dated May 6, 2009 has given permission to this Company to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Company's securities are proposed to be listed.

It is distinctly understood that the permission given by the Pune stock Exchange Ltd. should not in any way be deemed or constructed that the Red Herring Prospectus has been cleared or approved by Pune Stock Exchange Ltd. nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The Investors are advised to refer to the Red Herring Prospectus for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

UNDERTAKING FROM PROMOTERS AND DIRECTOR

Our Company accepts full responsibility for the accuracy of the information given in the Red Herring Prospectus and confirms that to the best of its knowledge and belief, there are no other facts, omission of which may make any statement in the Red Herring Prospectus misleading and it further confirms that the Company has made all reasonable enquiries to certain such facts. Our Company further declares that the Stock Exchanges to which the application for listing and official quotation are proposed to be made does not take any responsibility for the financial soundness of this offer or for the price at which the Equity Shares are offered or for the correctness of the statements made or opinions expressed in the Red Herring Prospectus. The promoters and directors declare and confirm that no information or material likely to have a bearing on the decision of the investors in respect of the shares offered in terms of this Red Herring Prospectus has been suppressed, withheld

and / or stated in the manner that would amount to misstatement or misrepresentation and in the event of this transpiring at any point of time till the allotment. Refund as the case may be, that any information or material has been suppressed or withheld and / or amounts to misstatement or misrepresentation, the promoter and directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act

Filing

A copy of this Red Herring Prospectus has been filed with Corporate Finance Department of SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC, 100, Everest, Marine Drive, Mumbai - 400 002. A copy of the Prospectus, along with the documents required to be filed under Section 60 of the Companies Act would be delivered for registration with the RoC, 100, Everest, Marine Drive, Mumbai - 400 002.

Listing

Our existing Equity Shares are listed on Pune Stock Exchange and Jaipur Stock Exchange in India. Applications have been made to the Pune Stock Exchange Limited and Jaipur Stock Exchange Limited for permission to deal in and for an official quotation of the Equity Shares of our Company. An application has also been made to the Bombay Stock Exchange for listing of the Company's equity shares.

BSE shall be the Designated Stock Exchange with which the basis of allocation will be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e. from the date of refusal or within 70 days from the date of Bid/ Issue Closing Date, whichever is earlier), then our Company and every director of our Company, who is an officer in default shall, on and from the expiry of eight days, will be jointly and severally 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 will ensure that all steps for the completion of the necessary requirements for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of the finalization of Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, the Co-Book Running Lead Managers to the Issue and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue and Legal Advisors to the Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the 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. Bharat J. Rughani & Co. Chartered Accountants have given their written consents to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consents and reports have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s. Bharat J. Rughani, Chartered Accountants, have given their consents to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and have 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 opinions in relation to the present issue.

Expenses of the Issue

Rishabhdev Technocable Limited

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertising expenses and listing fees.

The estimated Issue expenses are as follows:

(Rs. In lacs)				
S. No.	Particulars	Expenses	% of Issue Expenses	% of Issue size
1	Lead Management, Marketing and Selling Commissions	[•]	[•]	[•]
2	Advertisement and Marketing Expenses	[•]	[•]	[•]
3	Printing and Stationery, Distribution, Postage, etc.	[•]	[•]	[•]
4	Others (Registrar fees, legal fees etc.)	[•]	[•]	[•]
	Total	[•]	[•]	[•]

(To be incorporated at the time of filing of Prospectus with RoC)

Fees Payable to the Book Running Lead Managers and the Co-Book Running Lead Manager

The total fees payable by us to the BRLMs and the Co-BRLM (including underwriting commission and selling commission) for the Issue will be as per the Memorandum of Understanding between our Company and the BRLMs dated July 21, 2008 and the Memorandum of Understanding between our Company and the Co-BRLM dated April 22, 2009, a copy of which is available for inspection at our registered office.

Fees Payable to the Syndicate Members

The fees payable to the Syndicate Members (including underwriting commission and selling commission) will be as per the Syndicate Agreement dated May 11, 2009 executed between our Company and the Syndicate Members, a copy of which is available for inspection at our registered office.

Fees Payable to Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding between Registrar to the Issue and our Company dated July 1, 2008, a copy of which is available for inspection at our registered office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue by our Company to enable them to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

Particulars regarding Previous Rights or Public Issues during the Last Five Years

Our Company has not made any public or rights issue of Equity Shares/Debentures (including any rights issues to the public) in the five years preceding the date of this Red Herring Prospectus.

Previous Issues of Shares otherwise than for Cash

Except as stated in the section titled "Capital Structure" on page no. 21 of this Red Herring Prospectus, our Company has not made any previous issues of shares other than cash.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

We made an initial public offer of our Equity Shares in the year 1997. No underwriting commission was paid, as the issue was not underwritten. No brokerage was paid for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares of our Company.

Companies under the Same Management

There are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956, which has made any capital issue during the last three years.

Promise versus Performance

Our Company had made a public issue in the year 1997. As per the initial public issue our Company proposed to achieve the following targets:

- (1) To part finance our Company's proposed project for manufacture of cables used for different applications;
- (2) To raise long term working capital;
- (3) To enlist the shares of our Company on recognized stock exchanges; and
- (4) To meet the expenses of the issue.

The Public Issue in the Year 1997

The Public Issue details were as follows:

Name of the Company	Rishabhdev Technocable Limited
Type of the Issue	50,70,620/- Equity Shares of Rs.10/- each for cash at par.
Amounts of the Issue	5,07,06,200/-
Date of the Closure of the Issue	July 4, 1997
Date of Completion of the Delivery of the Share Certificates	August 2, 1997
Date of Completion of the Projects	*(Refer note on Promise Vs. Performance)

***Promise vs Performance**

In June 1997, our Company made an Initial Public Offering ("IPO") of its equity shares and was listed on the PSE and JSE. The main object of the IPO was, inter-alia, to part finance its the manufacturing facilities proposed to be set up at Amlī, Silvāsa for manufacture of cables used for different applications. Our Company issued 32,59,900 equity shares of Rs. 10/- each for cash at par to the public and made a firm allotment of 18,10,720/ equity shares of Rs.10/- each to the promoters, their friends, relatives and associates. The public offering of all the equity shares was at par. The applicants were required to pay application money of Rs. 2.50 per equity share the time of making the application in the IPO. Our Company, thereafter, issued a call notice on 18th September, 1997 to the applicants for the balance sum of Rs 7.50 per share. However, the balance amount of Rs 7.50 per share was not received. After the completion of the issue the sentiments in the stock market were very low and also due to adverse economic conditions it appeared uneconomical for our Company to immediately embark upon an expansion plan and undertake manufacturing activities. In the above circumstances, our Company continued its business of trading in different types of cables and waited for the appropriate time and opportunity to undertake the manufacturing activities as envisaged by its promoters

In the year 2002, our Company together with the Promoters acquired shares of Komet Wire Industries Private Limited ("KWIPL"), which was engaged in the business of manufacture of cables and wires. By the acquisition of KWIPL our Company got foothold in the manufacturing of cables. Our Company also commenced its independent manufacturing activities towards the end of March 2004 with a small set-up in a portion of the factory premises owned by KWIPL. However, simultaneously with the commencement of the said manufacturing facilities a plan for amalgamation of KWIPL with our Company was under consideration. Therefore, the manufacturing activities of our Company were continued to be carried on in the small set-up arranged in the factory premises of KWIPL. Subsequently, in the year 2005, pursuant to the order dated October 7, 2005 passed by the Hon'ble Bombay High Court, KWIPL was amalgamated with our Company. In the year 2004-05, the capital market conditions in India improved and the country was witnessing a significant economic growth. The same is reflected in the Audited Balance Sheets of the respective financial years.. Subsequently, in the year 2005, our Company acquired the balance shares KWIPL pursuant to which it became our wholly owned subsidiary and was thereafter amalgamated with our Company.

Thereafter, our Company in order to strengthen its operations, issued notices dated December 1, 2005, April 30, 2006 and April 30, 2007 to its shareholders for the balance amount of Rs 7.50 per share. Pursuant to the said call notices our Company received the balance amount on its partly paid-up equity shares in the Financial Years 2005-06, 2006-07 and 2007-08. The following are the details of the call money received by the Company in the Financial Year 2005-06, 2006-07, 2007-2008:

(Rs. in Lacs)

Particulars	Year		
	2005-06	2006-07	2007-08
No. of Shares	123900	642000	2494000

Rishabhdev Technocable Limited

Call Amount per Share (Rs.)	7.50	7.50	7.50
Total Call Money Received	9.29	48.15	187.05

The funds raised in the public issue were utilized in the following manner –

(Rs. in Lacs)				
Particulars	1997-98	2005-06	2006-07	2007-08
Proceeds of Issue				
- Promoters Contribution	181.07	-	-	-
- Public	81.50	9.29	48.15	187.05
Total	262.57	9.29	48.15	187.05
Application of the Proceeds				
Purchase of Land	18.00	-	-	-
Purchase of Plant and Machinery	187.67	9.29	47.48	75.74
Office Equipments	-	-	0.67	4.45
Furniture & Computers	-	-	-	1.94
Factory Building	-	-	-	4.57
Corporate Office	-	-	-	31.89
Public Issue Expenses	7.10	-	-	-
Working Capital	48.73	-	-	68.46
Misc. Expenses	1.07	-	-	-
Total	262.57	9.29	48.15	187.05

Since 2003, the Indian economy has seen unprecedented growth especially in the telecom, power, infrastructure, etc sectors resulting in increase in demand for various types of cables. With a view to keep pace with the growing demand for cables and also to increase its output, our Company purchased a plot of land in Daman in or about the year 2006, to set-up its second manufacturing unit (“Unit II”) which is expected to be operational by December 2008. The equity shares of our Company, issued to the public shareholders, were made fully paid-up only in the year 2007 to meet with its expansion plans. Our Company proposes to manufacture control cables at the said manufacturing facility. Our Company also proposes to set-up a manufacturing unit at Silvassa (“Unit III”), for production of power cables.

The objects specified in the prospectus filed by our Company at the time of IPO were not achieved. The projections of sales and profitability were made as under:

(Rs. in lacs)									
S. No.	Particulars	1996-97 (Proj)	1996-97 (Actual)	1997-98 (Proj)	1997-98 (Actual)	1998-99 (Proj)	1998-99 (Actual)	1999-00 (Proj)	1999-00 (Actual)
1.	Sales	447.50	93.86	744.15	80.33	884.84	97.71	1120.68	104.98
2.	PBT	36.17	1.04	202.89	0.74	263.09	0.98	360.59	0.98
3.	PAT	20.41	0.89	140.01	0.65	165.82	0.83	214.95	0.86
4.	EPS	0.57	0.14	1.05	0.06	2.46	0.03	2.91	0.03

The shares allotted to the Promoters pursuant to the Initial Public Offer were subject to lock-in for a period of 5 (five) years from the date of allotment in the public issue or from the last date of the month in which the commercial production was proposed, as per the prospectus, whichever was later. As per the Prospectus, the expected commercial production was to start from April, 1998. Thus, the aforementioned shares were locked-in upto April 30, 2003. The shares issued in the IPO were listed and allowed for trading in the Pune Stock Exchange on w.e.f. August 12, 1997 and in the Jaipur stock exchange w.e.f. August 19, 1997.

Listed Ventures of Promoter

Our Promoter does not have any listed ventures.

Outstanding Debenture or Bond Issues

As on the date of filing of this Red Herring Prospectus with SEBI, our Company does not have any outstanding Debentures or Bonds.

Outstanding Preference Shares

Rishabhdev Technocable Limited

Our Company has not issued any preference shares till date whether redeemable or otherwise.

Stock Market Data for Our Equity Shares

The Equity Shares of our Company has not been traded on the stock exchanges in Pune and Jaipur for the last 3 years. The PSE and JSE have by their letters dated July 11, 2008 confirmed the aforesaid position and have further clarified that the non-trading of equity shares on the respective exchanges was due to no default of the Company.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and us provides for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of Allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, depository participant, demat account number and the bank branch or collection center where the application was submitted.

Our Company has constituted a Shareholders/ Investor Relation Committee to look into the redressal of shareholder/ investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc. For further details on this committee, please refer section titled “Our Management”, under the head Corporate Governance on page no. 77 of this Red Herring Prospectus. To expedite the process of share transfer, our Company has appointed Mondkar Computers Private Limited as the Registrar and Share Transfer Agents of our Company.

Disposal of Investor Grievances

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be 15 days from the date of receipt of the complaint. In case of not-routine complaint and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Ranabir Sanyal, as the Company Secretary and Compliance Officer and he may be contacted at the following address in case of any pre-Issue or post-Issue-related problems:

Rishabhdev Technocable Limited

Unit No. 53 1st Floor,
Jagat Satguru Industrial Estate,
Vishveshwar Nagar Road,
Goregoan (East),
Mumbai- 400 063
Tel.: 022-28769059
Tele-Fax: 022-28771669
Website: www.rtcables.com
E-mail: fpo@rtcables.com

Other Disclosures

Except as disclosed in the Section titled “Capital Structure” beginning on page no. 21 of the Red Herring Prospectus, the Promoter Group Companies, the directors of the Promoter Group Companies or the Directors of our Company have not purchased or sold any Equity Shares during a period of six (6) months preceeding the date on which the Red Herring Prospectus is filed with SEBI.

Change in Auditors

M/s. L.K.Dangi and Co were appointed as the auditors of our Company, however, M/s. L.K.Dangi and Co. were unable to continue as the auditors on account of their professional commitments. Subsequently, M/s Bharat J.Rughani & Co were appointed as the Auditors in the financial year 2006-2007 and have since been reappointed by the Company for the financial year 2007-2008. M/s Banshi Jain & Associates have been

appointed as joint Auditors in the financial year 2007-2008, together with Bharat J. Rughani and Co and both firms continue to act as joint auditors of our Company. M/s. Banshi Jain & Associates, have resigned as Joint Statutory Auditors of the Company vide their letter dated April 21, 2009 due to their pre-occupations and the Board of Directors of our Company have approved and accepted the same in their meeting held on April 22, 2009. Hence, M/s. Bharat J. Rughani and Co, would continue to act as Statutory Auditors of our Company for the Financial Year 2008-09.

Tax Implications

Investors that are allocated Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For further details, see the chapter titled “Statement of Tax Benefits” beginning on page no. 44 of the Red Herring Prospectus.

Capitalization of Reserves or Profits

There has been no capitalization of reserves or profits during the last five years.

Revaluation of Assets

There has not been any revaluation of Assets since incorporation.

Payment or benefit to officers of our Company

Except as stated otherwise in this Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees since incorporation of our Company.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VII – ISSUE RELATED INFORMATION

BASIC TERMS OF THE ISSUE

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

Authority for the Issue

The Issue has been authorized by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at the Extra Ordinary general Meeting of the shareholders of our Company held on June 23, 2008. The Board of Directors has pursuant to a resolution dated May 29, 2008 authorized the Issue.

Ranking of Equity Shares

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

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956.

Face Value and Issue Price

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Red Herring Prospectus at the price of Rs. [●] per Equity Share. The Issue Price will be determined by our Company in consultation with the BRLMs and the Co-BRLM on the basis of assessment of market demand for the equity shares offered by way of book building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI Guidelines

We shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer 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 Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchanges(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., please refer to section titled “Main Provisions of Articles of Association” beginning on page no. 186 of this 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. In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of 200 Equity Shares to the successful Bidders.

Jurisdiction

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

Nomination Facility to Investor

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

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

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

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

Notwithstanding anything stated above, since the Allotment in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with the 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 including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, our Company and every director of our Company who is an officer in default, becomes liable to repay the amount with interest as per Section 73 of the Companies Act, 1956.

Arrangements for disposal of odd lots

Since the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Subscription by eligible non-residents

There is no reservation for any NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis with other categories for the purpose of allocation/allotment.

As per RBI regulations, OCBs cannot participate in the Issue.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs and Co-BRLM, reserves the right not to proceed with the Issue at any time including after the Bid/Issue Closing Date, until final Allotment of the Equity Shares in the Issue, without assigning any reason therefor. Notwithstanding the forgoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply only after Allotment and (ii) the final ROC approval of the prospectus after it is filed with Stock Exchanges.

ISSUE STRUCTURE

The present Issue of 90,00,000 Equity Shares of Rs.10 each at a price of Rs. [●] per Equity Share for cash aggregating upto Rs. [●] lacs including Promoter's contribution of 21,45,500 Equity Shares amounting to Rs. [●] lacs and Net Issue to the Public of 68,54,500 Equity Shares aggregating to Rs. Rs. [●] lacs is being made through the 100% Book Building process. Details of the structure of the Net Issue to Public are tabulated below:

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Not more than 34,27,250 Equity Shares shall be available for allocation to QIBs, out of which 1,71,370 Equity Shares would be available for allocation on a proportionate basis to Mutual Funds.	Not less than 10,28,175 Equity Shares shall be available for allocation to Non-Institutional Bidders.	Not less than 23,99,075 Equity Shares shall be available for allocation to Retail Individual Bidders.
Percentage of Issue Size available for allocation/Allotment	Upto 50% of the Net Issue (of which 5% shall be available for allocation for Mutual Funds). Mutual Funds participating in the 5% available for allocation for Mutual Funds in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available for allocation to QIBs. The unsubscribed portion in this category will be available for allocation to Non Institutional Bidders and Retail Individual Bidders..	Not less than 15% of the Net Issue. The unsubscribed portion in this category will be available for allocation to QIBs and Retail Individual Bidders.	Not less than 35% of the Net Issue. The unsubscribed portion in this category will be available for allocation to QIBs and Non Institutional Bidders
Basis of Allocation/Allotment if respective category is oversubscribed	Proportionate as follows: (a) 1,71,370 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 32,55,880 Equity Shares shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of 200 Equity Shares such that the Bid Amount exceeds Rs.1,00,000.	Such number of Equity Shares in multiples of 200 Equity Shares such that the Bid Amount exceeds Rs. 1,00,000.	200 Equity Shares in multiples of 200 Equity Shares.
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs. 1,00,000/-.
Mode of Allotment	Dematerialized mode	Dematerialized mode	Dematerialized mode
Trading Lot	One Equity Share	One Equity Share	One Equity Share

Rishabhdev Technocable Limited

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investors and sub-accounts registered with SEBI other than sub-accounts which are foreign corporates or foreign individuals, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 lacs, pension funds with minimum corpus of Rs. 2500 lacs and 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 in accordance with applicable law.	Eligible NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institution, societies and trusts.	Individuals (including Eligible NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value.
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid-cum-Application Form	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid-cum-Application Form to the Syndicate Members or the ASBA Form to the SCSB.***
Margin Amount	At least 10% of the bid amount on bidding.	Full Bid Amount on bidding	Full Bid Amount on bidding

* Subject to valid bids being received at or above the Issue Price. Upto 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further, at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If the aggregate demand by Mutual Funds is less than 1,71,370 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

Under-subscription, if any, in any category would be met with spill over from other categories at our sole discretion, in consultation with the BRLM (PLCM) and the Co-BRLM.

**In case the Bid-cum-Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form or ASBA Form.

***Resident Retail Individual Investor is also eligible to apply through ASBA process, for details please refer heading "Issue Procedure for ASBA Bidders" on page no. 173 of this Red Herring Prospectus.

Note: Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialized form only.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue to the Public shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be available for allocation to Mutual Funds). 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.

Bidders are required to submit their Bids through the members of the Syndicate. ASBA investors intending to subscribe to the issue, shall submit a complete ASBA form to the designated branch of the SCSB. Further, QIB bids can be submitted only through the BRLMs or the Co-BRLM or their affiliates or Syndicate Members. We, in consultation with the BRLMs or the Co-BRLM, reserve the right to reject any QIB Bid procured by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejections shall be made at time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. 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 Equity Shares would be allotted to all successful Bidders only in dematerialized 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 dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this 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 allotment of Equity Shares, dispatch of the CAN / Allocation Advice 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 authorized us to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the 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 including Resident, QIBs, Non Institutional Bidders or Eligible NRIs applying on a Non-Repatriation basis	White
Non-residents, NRIs, or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
ASBA Form	ASBA – White

Who Can Bid

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are majors, in single or joint names (not more than three);
3. 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;
4. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in Equity shares;
5. Indian Mutual Funds registered with SEBI;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks) and regional rural banks (subject to the RBI regulations and SEBI Guidelines and Regulations, as applicable);
7. Venture capital funds registered with SEBI;
8. Foreign venture capital investors registered with SEBI; subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the issue.

9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of Rs. 2500 lacs and who are authorized under their constitution to invest in Equity Shares;
12. Pension funds with minimum corpus of Rs. 2500 lacs and who are authorized under their constitution to invest in Equity Shares;
13. Multilateral and bilateral development financial institutions;
14. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in equity shares;
15. Eligible Non-residents including NRIs on a repatriation basis / non- repatriation basis subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the issue. FIIs, registered with SEBI on a repatriation basis subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the issue;
16. FIIs registered with SEBI on a repatriation basis subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the issue.
17. Scientific and/or industrial research organizations in India authorized under their constitution to invest in equity shares;
18. Any other QIBs permitted to invest in the issue under applicable law or regulation.

As per existing regulations, Overseas Corporate Bodies cannot Bid in this Issue.

Note: The BRLMs, the Co-BRLM and Syndicate Member(s) shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation, if any. However, associates and affiliates of the BRLMs, the Co-BRLM 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.

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.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 1,71,370 Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

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 by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights and 10% of its funds in the shares or debentures or other securities of a single company. These limits would have to be adhered to by the Mutual Funds for investment in the Equity Shares.

5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share of the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible NRIs

Bid cum Application Forms have been made available for NRIs at our registered office or members of the Syndicate and the Registrars to the Issue.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment. The Eligible NRIs 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 at Mumbai only.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company (i.e. 10% of 1,46,89,100 Equity Shares). In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100% of the post issue paid up capital of our company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approval in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations as amended as, a FII or its sub-account may issue, deal or hold, off shore derivatives instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchanges in India or in favour of those entities which are regulated by any relevant regulatory authorities in the country of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII or sub account shall also ensure that no further down streams issue or transfer of any instruments referred to hereinabove is made to any person other than a regulated entity.

Bids by NRIs or FIIs on Repatriation Basis

Bids and revision to bids must be made:

- On the Bid cum Application Form or Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid amount of up to Rs. 1,00,000 would be considered under the Retail Individual Bidders Portion for the purpose of Allocation and Bids for a Bid amount of more than or equal to Rs. 1,00,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 200 Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000; for details, please refer the sub-section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page no. 153 of the Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB's.

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 payable upon submission of the Bid cum Application Form or Revision Form 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/speed 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 Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids by the Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the investment through a Public Issue by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/ foreign venture capital investor provided not more than 25% of the corpus of an Indian Venture Capital Fund should be invested in one Venture Capital undertaking.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company, the BRLMs and the Co-BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, the BRLMs and the Co-BRLM are not liable to inform the investors of any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 ASBA Investor

For details about Bids by ASBA Investors and for ASBA Process, please refer “Issue Procedure for ASBA Bidders” starting from page no. 173 of this Red Herring Prospectus.

Maximum and Minimum Bid size

- a) **For Retail Individual Bidders:** The Bid must be for minimum 200 Equity Shares and in multiples of 200 Equity Shares thereafter subject to maximum bid amount of Rs. 1,00,000/- In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000/-. In case the Bid Amount is over Rs. 1, 00,000/- due to revision in bid or revision of the Price Band or on exercise of Cut-off price option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off price option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- b) **For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs.100,000 and in multiples of 200 Equity Shares. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by regulatory and statutory authorities governing them. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin Amount upon submission of Bid.
- c) In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000/-, for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000/- or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders do not have the option of bidding at ‘Cut-off price’.
- d) 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 Red Herring Prospectus.

Information for the Bidders

1. We will file the Red Herring Prospectus with the RoC/Designated Stock Exchange at least 3 (three) days before the Bid/Issue Opening Date.
2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
3. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus/Red Herring Prospectus/Bid-cum-Application Form can obtain the same from our Registered Office or from the BRLMs or the Co-BRLM or from a member of the Syndicate.
4. Investors who are interested in subscribing for our Company’s Equity Shares should approach any of the BRLMs or Co-BRLM or Syndicate Member or their authorized agent(s) to register their Bid.

5. The Bids should be compulsorily submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. The Bid-cum-Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.
6. For details about ASBA Process, please refer “Issue Procedure for ASBA Bidders” starting from page no. 173 of this Red Herring Prospectus.

Method and Process of bidding

1. We, with the BRLMs shall declare the Bid/Issue Opening Date, and Bid/Issue Closing Date and Price in the Red Herring Prospectus filed with RoC and publish the same in two national newspapers (one each in English and Hindi) and one Marathi newspaper at the place where our registered office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11, 2005. The members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
2. Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
3. The Bidding Period shall be a minimum of 3 (three) days and not exceeding 7 (seven) working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and Marathi newspaper and also by indicating the charge on the Web-sites of the BRLMs and the Co-BRLM and at the terminals of the members of the Syndicate and the Bidding Period may be extended, if required, by an additional 3 (three) days, subject to the total Bidding Period not exceeding 10(ten) working days.
4. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” on page no. 154 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
5. The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. 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 allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph “Build up of the Book and Revision of Bids” on page no. 157 this Red Herring Prospectus.
6. 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, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum application Form. It is the responsibility of the bidder to obtain the TRS from the Member of Syndicate.
7. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph “Terms of Payment and Payment into the Escrow Collection Account” on page no. 156 of this Red Herring Prospectus.
8. During the Bidding Period, the Bidders may approach the Member of 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.

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. 29/- to Rs. 33/- per Equity Share, Rs. 29/- being the floor of the Price-Band and Rs. 33/- being the cap of the Price Band. The Bidders can bid at any price within the

price Band, in multiples of Re. 1/-. The minimum application value shall be within the range of Rs. 5,000 to Rs. 7,000.

2. In accordance with SEBI Guidelines, our Company in consultation with the BRLMs and the Co-BRLM in accordance with this clause, without the prior approval of, or intimation, to the Bidders, can revise the Price Band. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus. In case of a revision in the Price Band, the Issue will be kept open for a further period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
3. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the Stock Exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and Marathi newspaper, and also indicating the change on the relevant websites of the BRLMs, the Co-BRLM and the terminals of the members of the Syndicate.
4. We, in consultation with the BRLMs and the Co-BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.
5. 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 may bid at “Cut-off”. However, bidding at “Cut-off” is prohibited for QIBs or Non Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.**
6. Retail Individual Bidders who bid at the Cut-off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders who bid at Cut off Price, shall receive the refund of the excess amounts from the Refund Account.
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 1,00,000/- if the bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.1,00,000/- the Bid will be considered for allocation under the Non-Institutional category in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downward for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidders shall be deemed to have approved such revised Bid at Cut-off Price.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Bidders who have bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.
9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 200 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.
10. Revision option is not available for ASBA applicant. Please refer “Issue Procedure for ASBA Bidders” on page no. 173 of this Red Herring Prospectus.

Option to Subscribe

Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialized form only. Bidders will not have the option of getting Allotment of physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Escrow Mechanism

Our Company and members of the Syndicate 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 amount from Bidders in a certain category would be deposited in the respective Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account of our Company. 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 an amount equivalent to Issue proceeds (i.e. Final Issue price multiplied by the number of Equity Shares allotted through this issue) from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our Company and the balance amount shall be transferred to the Refund Account, from where payment of refund to the Bidders shall be made.

The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

For ASBA Process, please refer “Issue Procedure for ASBA Bidders” on page no. 173 of this Red Herring Prospectus.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid-cum-Application Form draw a cheque/ 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 “Payment Instructions” on page no. 165 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid-cum-Application Forms accompanied by cash or stock-invest 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 the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the equivalent to the size of the issue Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account. Not later than 15 days from the Bid / Issue Closing Date, our Company will instruct the Refund Banker to refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders.

Each category of Bidders (i.e. QIBs, 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 heading “Issue Structure” on page no. 147 of this Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated 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 Registrar to the Issue. 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 the Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid-Cum-Application Form. QIB Bidders will be required to deposit a margin of 10% at the time of submitting of their Bids.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid Closing Date/Issue Closing Date as disclosed under “Disposal of Applications and Applications Money and Interest in Case of Delay” in dispatch of Allotment Letters/Refund Orders beginning on page no.182 of this Red Herring Prospectus, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

For ASBA Process, please refer “Issue Procedure for ASBA Bidders” on page no. 173 of this Red Herring Prospectus.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of BSE/NSE. There will be BSE/NSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.
- (b) BSE/NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid / Issue Closing Date, the Member of Syndicate shall upload the Bids till such time as may be permitted by BSE/NSE.
- (c) The aggregate demand and price for Bids registered on their electronic facility of BSE/NSE will be uploaded on a regular basis and display graphically the consolidated demand at various price levels. This information can be assessed on BSE/NSE website at www.bseindia.com or www.nseindia.com.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
- Name of the investor (Investors 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, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form);
 - Investor Category – Individual, Corporate, NRI, QIBs, FII, Mutual Fund, etc.
 - Numbers of Equity Shares bid for;
 - Bid price and applicable Margin Amount;
 - Bid-cum-Application Form Number;
 - Whether payment is made upon submission of Bid-cum-Application Form.
 - Depository Participant Identification Number and Client Identification Number of the Demat 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 members of the Syndicate does not guarantee that the Equity Shares shall be allocated 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) The Members of syndicate may reject QIB Bids provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of such rejection. In case of Non-Institutional Bidders and Retail Individual Bidders, bids would not be rejected except on the technical grounds listed on page no. 167 of this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by BSE/NSE to use their network and software of the online book building system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLMs or Co-BRLM are cleared or approved by BSE/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 and BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE.
- (j) For ASBA Process, please refer "Issue Procedure for ASBA Bidders on page no. 173 of this Red Herring Prospectus.

Build Up of the Book and Revision of Bids

- a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE mainframe on on-line basis. Data would be uploaded on a regular basis.

- b) The book gets build up at various price levels. This information will be available with the BRLMs and the Co-BRLM on a regular basis.
- c) 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.
- d) Revisions can be made in both the desired numbers 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 he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she has placed the original Bid. **Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.**
- f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIBs, the Members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.
- g) 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.**
- h) Only Bids that are uploaded on the online book building system of the BSE/NSE shall be considered for allocation/allotment. In the event of discrepancy of data between the Bids registered on the online book building system and the physical Bid cum Application Form, the decision of Our Company in consultation with the BRLMs or the Co-BRLM, based on the physical records of Bid/cum Application Forms, shall be final and binding on all concerned.
- i) While revising the Bid, the Bidder shall not change the Payment Method indicated originally.

Price Discovery and Allocation

- a) After the Bid/Issue Closing Date, the BRLMs or the Co-BRLM shall analyse the demand generated at various price levels and discuss pricing strategy with us.
- b) We, in consultation with the BRLMs and the Co-BRLM shall finalize the Issue Price and the number of Equity Shares to be allotted in each investor category.
- c) The allocation in the Issue to Non-Institutional Bidders and Retail Individual Bidders would be on proportionate basis, in the manner specified in the SEBI Guidelines and the Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- d) In case of over-subscription in all categories, not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders out of which 5% shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB portion the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids. Further, at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category would be met with spill-over from other categories at our sole discretion, in consultation with the BRLMs or the Co-BRLM.

- e) QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in the various categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional margin money within a period of two days from the date of the letter communicating the request for such additional margin money.
- f) The BRLMs or the Co-BRLM, in consultation with our Company shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- g) Allocation/Allotment to NRIs, FIIs registered with SEBI or Mutual Funds or FVCIs registered with SEBI will be subject to applicable laws, rules, regulations, guidelines and approvals.
- h) We in consultation with the BRLMs and the Co-BRLM reserve the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning reasons whatsoever but before allotment.
- i) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid / Issue Closing Date.
- j) Our Company in consultation with the BRLMs or the Co-BRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.
- k) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLMs, the Co-BRLM and the Syndicate Members have entered into a Firm Underwriting Agreement dated May 11, 2009.
- (b) After closing of the Issue, we will 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, underwriting details and would be complete in all material respects.

Filing of the Prospectus with the RoC

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC, Maharashtra. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with RoC, Maharashtra.

Advertisement regarding Issue Price and Red Herring Prospectus

A statutory advertisement will be issued by our Company after the filing of the Red Herring Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Price Band along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of Red Herring Prospectus and the Prospectus shall be included in the advertisement.

Issuance of Intimation Note and Confirmation of Allocation Note to bidders, other than QIBs

- a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Co-BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval on the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, the investor 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 BRLMs or the Co-BRLM or the members of the Syndicate would then send the 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 Balance Amount Payable for all the Equity Shares allocated to such Bidder. Those QIB Bidders who have not paid the Bid Amount in full 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 Equity Shares and who have already paid 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 their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

Issuance of Intimation Note and Confirmation of Allocation Note to QIB bidders.

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, 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. In addition, there are foreign investment limitations applicable to the Company, which may result in a change (including potentially a decrease) in the number of Equity Shares being finally allotted to Non Resident investors (including FIIs). As a result, a revised CAN may be required to 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.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the controlling branch of the SCSB regarding finalisation of the basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Designated Date, Allotment of Equity Shares and Transfer of Funds to Public Issue Account

- 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 and Refund Account on the Designated Date, we would allot the Equity Shares to the allottees and would ensure the credit to the successful Bidders depository account within two working days of from the date of finalization of the basis of allotment with the Designated Stock Exchange. In case we fail to make allotment within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors @ 15% p.a.
- b) As per SEBI Guidelines, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares so allotted/transferred if they so desire as per the provisions of the Companies Act and the Depositories Act, rules, regulations and byelaws of the Depositories.
- c) After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, our Company will allot the Equity Shares to the Allottees.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

General Instructions

Do's:

- a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Red Herring Prospectus.
- b) Read all the instructions carefully and complete the Bid-cum-Application Form [(White) or (Blue) in colour] as the case may be;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialised form only;
- d) Ensure that the Bids are submitted at the bidding centres only on Bid cum Application forms bearing the stamp of a member of the Syndicate;
- e) Ensure that you have been given a TRS for all your Bid options;
- f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- g) Ensure that the bid is within the price band;

Investors must 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, investors should ensure that the beneficiary account is held in the same joint names and in the same sequence as they appear in the Bid-cum- Application Form;

- h) If you have mentioned for “applied for” or “not applicable” in the Bid-Cum Application Form in the section dealing with PAN number ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof; and
- i) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- j) Ensure that you use the ASBA form specified for the purposes of ASBA process.
- k) Read all the instructions carefully and complete the ASBA form.
- l) Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA form
- m) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or the Registrar to the Issue or the BRLMs or the Co-BRLM.
- n) Ensure that the ASBA form is signed by the account holder in case the applicant is not the account holder
- o) Ensure that you have mentioned the correct bank account no. in the ASBA form.
- p) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in ASBA account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch of the SCSB.
- q) Ensure that you have correctly checked the authorisation box in the ASBA form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA form in your ASBA Account maintained with a branch of the concerned SCSB.
- r) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA form.

Ensure that the name(s) and PAN given in the ASBA form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid 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 ASBA form.

Don'ts:

- a) Do not Bid if you are prohibited from doing so under the any law;
- b) Do not Bid for lower than minimum Bid size;
- c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- e) Do not pay Bid amount in cash, through Stock Invest, by money order or postal order;
- f) Do not Bid at cut off price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 1,00,000/-);
- g) Do not fill up the Bid cum Application Form such that the Equity shares bid for exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
- h) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.
- i) Do not provide your GIR number instead of PAN number;
- j) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB;
- k) Do not revise the bid, in case of bids by an ASBA investor; and
- l) Do not bid through a syndicate member, if you are an ASBA investor, and have already submitted your bid through the designated SCSB. Such bids shall be considered as multiple bids and both the applications are liable to be rejected.

Instructions for Completing the Bid-Cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from our Registered Office or from the BRLMs or the Co-BRLM or from a member of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians and blue colour for NRI or FII or foreign venture capital fund registered with SEBI applying on repatriation basis).
- (b) 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.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of 200 Equity Shares and in multiples of 200 thereafter subject to a maximum of Rs. 1,00,000/-.
- (d) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 1,00,000/- and in multiples of 200 Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.

- (e) In single name or in joint names (not more than three and in the same order as their Depository Participant details).
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participants Name, Depository Participants Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidder's bank account details. These bank account details would be printed on the Refund order/ Refund Advices, if any, to be sent to the Bidders and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT. 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 credit of refunds to Bidders at the Bidder's sole risk and neither the BRLMs nor the Co-BRLM nor our Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, occupation, bank account details for printing on refund orders / refund advices or for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ refund advice / for credit of Refunds through ECS or Direct Credit or RTGS or NEFT for refunds/CANs/Allocation Advice and printing of Bank particulars on the refund order / refund advice and the Registrar would not use the Demographic Details given by Bidders in the Bid-cum-Application Form for these purposes. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Advice / Refund Orders/ Allocation Advice/ CANs would be mailed at address of the first Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ refund advice/ 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 Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company nor the BRLMs nor the Co-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 match 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 identity, then such Bids are liable to be rejected.

The 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

Bids by non-residents including NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis.

Bids and Revision to Bids must be made:

- 1) On the prescribed Bid-cum-Application Form or Revision Form, as applicable (blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- 2) In a single name or joint names (not more than three)
- 3) NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Individual Bidders portion for the purposes of allocation and Bids for a Bid amount of more than Rs. 1,00,000 would be considered under the Non-Institutional Bidders portion for the purposes of allocation; by FIIs for a minimum of such number of Equity Shares and in multiples of 200 thereafter that the Bid Amount exceeds Rs. 1,00,000; for further details see “Maximum and Minimum Bid Size” at page no. 153 of this Red Herring Prospectus.
- 4) 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 NRIs) or their nominees.
- 5) 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 U.S. 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. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all such applicant will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Bids under Power of Attorney

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies or 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 and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, the Issuer reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a Power of Attorney by 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 submitted with the Bid-cum-Application Form. Failing this, we 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 insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the Certificate of Registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, we 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 fund with the minimum corpus of Rs. 2500 lacs and pension fund with the minimum corpus of Rs. 2500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, we 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 Mutual Funds registered with SEBI, Venture Capital Funds registered with SEBI and Foreign Venture Capital Fund registered with SEBI, a certified copy of the SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any in whole or in part, in either case, without assigning any reason therefore.

We, in our absolute discretion, reserve 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 as our Company, Co-BRLM and BRLMs may deem fit.

Payment Instructions

We along with BRLMs, the Co-BRLM and Syndicate Member(s) shall open an Escrow Account of our Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

1. The applicable Margin Amount for Non Institutional Bidders, Retail Individual Bidders is 100% whereas for QIBs, it is 10% and while submitting the Bid cum Application Form, shall be drawn as a payment instrument for the Bid Amount in favour of the Escrow Account and submitted to the members of the Syndicate.
2. 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 to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of our Company within the period specified in the Intimation Note / 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 BRLMs or the Co-BRLM.
3. The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:
 - (i) In case of Resident Bidders: "Escrow Account–RTCL Public Issue - R"
 - (ii) In case of Non Resident Bidders: "Escrow Account–RTCL Public Issue - NR"
 - (iii) In case of resident QIB bidders: "Escrow Account–RTCL Public Issue - QIB- R"
 - (iv) In case of non - resident QIB bidders: "Escrow Account– RTCL Public Issue – QIB - NR"
4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
6. In case of Bids by FIIs, FVCIs registered with SEBI the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
7. Where a Bidder has been allocated a lesser number of Equity Shares than what 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.

8. The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
10. On the Designated Date and no later than 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 to the Bidders.

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/ stock invest/money orders/ postal orders will not be accepted.

For ASBA Process, please refer "Issue Procedure for ASBA Bidders on page no. 173 of this Red Herring Prospectus.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stock invest will not be accepted.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts shall be submitted to the member of the syndicate at the time of submitting the Bid-cum-Application Form.

For ASBA Process, please refer "Issue Procedure for ASBA Bidders" on page no. 173 of this Red Herring Prospectus.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Member of 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 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 communication 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 in single or joint names will be deemed to be multiple bids if the sole and/ or first bidder is one and the same.

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 are electronically strung on first name, address and applicants status. These applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/husbands name to determine if they are multiple applications.

2. Applications which do not qualify, as multiple applications as per above procedure are further checked for common DP ID/beneficiary ID. Applications with common DP ID/ beneficiary ID are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
3. Applications which do not qualify, as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked

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.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid-cum-Application Form. Further, where the Bidder(s) has/have mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B Income Tax Rules, 1962) or Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

Unique Identification Number (UIN)

SEBI, has with effect from July 2, 2007 directed that PAN shall be the sole identification for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Our Right to Reject Bids

In case of QIB Bidders, Our Company in consultation with the BRLMs or the Co-BRLM may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, we have the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft or ECS or Direct Credit and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds, including the following:-

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Bank account details (for refund) are not given;
3. Age of First Bidder not given;
4. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;

5. PAN Number not given and GIR number given instead of PAN and proof of PAN is not attached to the Bid-cum-Application form;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at cut-off price by Non-Institutional Bidders and QIB Bidders;
10. Bids for number of Equity Shares, which are not in multiples of 200;
11. Category not ticked;
12. Multiple bids as defined in this Red Herring Prospectus at page no. 154;
13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by Stock invest/money order/ postal order/ cash;
15. Bids not duly signed by the sole/joint Bidders;
16. Bid-cum-Application Form does not have the stamp of the Syndicate Member(s);
17. Bid-cum-Application Form does not have Bidder's depository account details;
18. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid-cum-Application Form;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the relevant regulations;
20. 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 identity;
21. Bids by OCBs;
22. Bids by U.S. persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act;
23. Bids by NRIs not disclosing their residential status;
24. Bids through ASBA Process by Non-Institutional and QIB Bidders.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar:

1. An Agreement dated September 5, 2007 among NSDL our Company and Registrar to the issue; and
2. An Agreement dated April 5, 2007 among CDSL our Company and Registrar to the issue.

All bidders can seek allotment only in dematerialised mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
3. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his/her Depository Participant.
7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. BSE/PSE/JSE, where Equity Shares are proposed to be listed, is connected to NSDL and CDSL.
8. The trading of our Equity Shares would only be in dematerialized form for all investors in the demat segment of BSE/PSE/JSE.
9. Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.
10. Investors are advised to instruct their DP to accept the Equity Shares that may be allocated to them, pursuant to the issue.

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.

Pre-Issue and Post Issue Related Problems:

We have appointed Ms. Ranabir Sanyal, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Rishabhdev Technocable Limited
Unit No. 53, 1st Floor,
Jagat Satguru Industrial Estate,
Vishveshwar Nagar Road,
Goregoan (East), Mumbai- 400 063
Tel: 022-2876 9059
Fax: 022-2877 1669

Basis of Allotment or Allocation

1. For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
2. The Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.

3. If the aggregate demand in this category is less than or equal to 23,99,075 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
4. If the aggregate demand in this category is greater than 23,99,075 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 200 Equity Shares or in multiples of one Equity Share. For the method of proportionate basis of allocation, refer below.

2. For Non Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
2. The Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 10,28,175 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
4. In case the aggregate demand in this category is greater than 10,28,175 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 200 Equity Shares or in multiples of one Equity Share. For the method of proportionate basis of allotment refer below.

3. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation 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 Bids from Mutual Fund 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 to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allocation to all QIBs shall be determined as follows:
 - (i) The number of Equity Shares available for this category shall be the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.
 - (ii) The subscription level for this category shall be determined based on the overall subscription in the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.
- (iii) Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.
- In case the aggregate demand in this category is greater than 34,27,250 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 200 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation refer below.

Under-subscription, if any, in any category would be met with spill-over from other categories at our sole discretion, in consultation with the BRLM (PLCM) or the Co-BRLM.

The BRLM (PLCM) and the Co-BRLM, Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with SEBI Guidelines. The drawal of lots (where required) to finalize the basis of allotment, shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time Schedule for Allotment and Issue of Certificates

The Issue will be conducted through a “100% book building process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period commenced on June 4, 2009 and expires on June 9, 2009. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs and the Co-BRLM, will determine the issue price, and, in consultation with the BRLMs or the Co-BRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the Stock Exchange. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with Registrar of Companies and SEBI. SEBI (DIP) Guidelines require our Company to complete the allotment to successful bidders within 15 days from the Bid/Issue Closing Date. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchange, the Equity Shares will be listed and trading will commence.

Method of Proportionate Basis of Allotment

In the event the Issue is over-subscribed, the basis of allotment shall be finalized by our company in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM (PLCM), and the Co-BRLM and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalized in a fair and proper manner. Allotment to Bidders shall be as per the basis of allocation as set out in this Red Herring Prospectus under “Issue Structure”.

The allotment shall be made in marketable lots, on a proportional basis as explained below:

- a) Bidders will be categorized according to the number of Equity Shares applied for by them.
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of shares applied for) multiplied by the inverse of the over-subscription ratio. The minimum allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- 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 portion multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate allotment is less than 200 Equity Shares per Bidder, the allotment shall be made as follows:
 - i. Each successful Bidder shall be allotted a minimum of 200 Equity Shares; and
 - ii. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that portion is equal to the number of Equity Shares calculated in accordance with (b) above.
- e) If the proportionate allotment to a Bidder works out to a number that is more than 200 but is a fraction, the fraction would be rounded off to the higher whole number if that decimal is 0.5 or more. If that decimal is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- 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 Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after

such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

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.”

LETTERS OF ALLOTMENT OR REFUND ORDERS

We shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 days of the Bid Closing Date / Issue Closing Date. Applicants residing at 68 centers including 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS or NEFT. In case of other applicants, our Company 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, except for Bidders who have opted to receive refunds through the ECS facility. Applicants to whom refunds are made through Electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of Issue.

We shall ensure dispatch of refund orders, if any, by “Under Certificate of Posting” or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder’s sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the issuer.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date;
- We shall 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.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode i.e. ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company, BRLMs and the Co-BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the RHP. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on the website of SEBI at www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Form, please refer the above-mentioned SEBI website.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic book building system of the Stock Exchanges. Once the Basis of Allotment is finalized, The Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs and the Co-BRLM.

ASBA Form

ASBA Bidders shall use the ASBA Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA form which shall be at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA form shall be considered as the Application Form. Upon completing and submitting the ASBA form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

In accordance with the SEBI Guidelines, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of 200 Equity Shares and in multiples of 200 Equity Shares thereafter. The ASBA Bidder should ensure that maximum Amount blocked in respect of the ASBA Bidder does not exceed Rs. 1,00,000. The ASBA Bidders shall bid only at the Cutoff Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

- The BRLMs and the Co-BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs or the Co-BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA form and that the same are made available on the websites of the SCSBs.

- ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA form can obtain the same from the Designated Branches of the SCSBs, or the BRLMs or the Co-BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA form in electronic form on the websites of the SCSBs.
- The Bids should be submitted on the prescribed ASBA form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- ASBA forms should bear the stamp of the Syndicate Member and/or Designated Branch of the SCSB. ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.
- ASBA Bidders shall correctly mention the bank account number in the ASBA form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch.
- If the ASBA Account holder is different from the ASBA Bidder, the ASBA form should be signed by the account holder as provided in the ASBA form.
- ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA form.
- ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Self Certified Syndicate Banks (SCSBs)

As on date following banks are registered with SEBI for collection of ASBA forms -

1. Corporation Bank Limited
2. ICICI Bank Limited
3. HDFC Bank Limited
4. State Bank of India
5. Union Bank of India
6. IDBI Bank Limited
7. AXIS Bank Limited
8. Kotak Mahindra Bank
9. State Bank of Bikaner & Jaipur
10. Bank of Baroda
11. Punjab National Bank
12. YES Bank
13. Citi Bank
14. Bank of India
15. State Bank of Hyderabad
16. HSBC Limited
17. Vijay Bank
18. State Bank of Travancore
19. Bank of Maharashtra

Further to the above mentioned list of banks, all those banks registered with SEBI time to time shall act as SCSBs for this Issue. Investors are requested to refer the SEBI website for updated list of SCSBs.

Method and Process of Bidding

- ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts

with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Guidelines and Red Herring Prospectus.

- The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.
- Each ASBA form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.
- Upon receipt of the ASBA form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA form, prior to uploading such Bids with the Stock Exchanges.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (“TRS”). The TRS shall be furnished to the ASBA Bidder on request.
- An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA form or a non-ASBA form after bidding on one ASBA form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be.
- Submission of a second ASBA form or a Non-ASBA form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue.

ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA form cannot be revised.

Mode of Payment

Upon submission of an ASBA form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB. Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Guidelines, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

- In case of ASBA forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
 1. it has received the ASBA in a physical or electronic form; and
 2. it has blocked the application money in the ASBA account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.
- The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
 1. Name of the Bidder(s);
 2. Application Number;
 3. Permanent Account Number;
 4. Number of Equity Shares Bid for;
 5. Depository Participant identification No.; and
 6. Client identification No. of the Bidder's beneficiary account.
- In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).
- A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.
- Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online book building system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the BRLMs or the Co-BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.
- The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- Only Bids that are uploaded on the online book building system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the

Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA forms shall be final and binding on all concerned.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation and a regional language newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the 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 Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

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 bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.
- (b) As per the SEBI Guidelines, **Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees.** Allottees will have the option to re-materialise the Equity Shares Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- b. Ensure that you use the ASBA form specified for the purposes of ASBA process.
- c. Read all the instructions carefully and complete the ASBA form.
- d. Ensure that your Bid is at the Cut-off Price.
- e. Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA form

- f. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.
- g. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or or BRLMs or the Co-BRLM
- h. Ensure that the ASBA form is signed by the account holder in case the applicant is not the account holder
- i. Ensure that you have mentioned the correct bank account No. in the ASBA form.
- j. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in ASBA account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch of the SCSB.
- k. Ensure that you have correctly checked the authorisation box in the ASBA form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA form in your ASBA Account maintained with a branch of the concerned SCSB.
- l. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA form.
- m. Ensure that you have mentioned your Permanent Account Number (“PAN”) allotted under the I.T. Act.
- n. Ensure that the name(s) and PAN given in the ASBA form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid 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 ASBA form.
- o. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- a. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- b. Do not submit an ASBA Bid if you are applying under any reserved category.
- c. Do not revise your Bid.
- d. Do not Bid for lower than the minimum Bid size.
- e. Do not Bid on another ASBA or Non-ASBA form after you have submitted
- f. Bid to a Designated Branch of the SCSB.
- g. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- h. Do not send your physical ASBA form by post; instead submit the same to Designated Branch of the SCSB only.
- i. Do not fill up the ASBA form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000.
- j. Do not mention the GIR number instead of the PAN Number.
- k. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- Made only in the prescribed ASBA form, if submitted in physical mode, or electronic mode.

- In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA form.
- The Bids must be for a minimum of 200 Equity Shares and in multiples of 200 Equity Shares thereafter subject that the Bid Amount does not exceed Rs. 1,00,000.
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA BIDDERS DEPOSITORY ACCOUNT AND BANK DETAILS

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME AND PAN GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA 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 ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, (.Demographic Details.). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA form, the ASBA Bidder is 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. CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected. ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA form. Failing this, our Company, in consultation with and BRLMs or the Co-BRLM, reserves the right to reject such ASBA Bids. 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 ASBA form, subject to such terms and conditions that we, in consultation with the BRLMs or the Co-BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account. In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of the Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder.s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder.s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA form does not match with one available in the depository.s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

1. In addition to the grounds listed under Grounds for Technical Rejection on page no. 167 of this RHP, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:
2. Amount mentioned in the ASBA form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Bids at a price other than at the Cut-off Price;
4. Age of first Bidder not given;
5. Bid made by categories of investors other than Resident Retail Individual Investors;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
7. PAN not stated, or GIR number furnished instead of PAN.
8. Bids for number of Equity Shares, which are not in multiples of 200;
9. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
10. Multiple Bids as defined in this Red Herring Prospectus;
11. In case of Bid under power of attorney, relevant documents are not submitted;
12. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
13. Signature of sole and/or joint Bidders missing in case of ASBA forms submitted in physical mode;
14. ASBA form does not have the stamp of the SCSB and/or a member of the Syndicate;

15. ASBA form does not have the Bidder's depository account details;
16. ASBA form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA form and the Red Herring Prospectus;
17. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA form at the time of blocking such Bid Amount in the ASBA Account;
18. 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), PAN, the DP ID and the beneficiary account number; and
19. If the ASBA Bid in the Issue is revised. Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number in which the amount equivalent to the Bid amount was blocked. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLMs, the Co-BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Guidelines.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

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

Basis of Allotment

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, please refer "**Basis of Allotment or Allocation**" starting from page no. 169 of this RHP.

PAYMENT OF REFUNDS

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 the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs nor the Co-BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refunds would be mandatory done through ECS for applicants having an account at any of the 68 ECS centers including Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. 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 fifteen 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.
2. Direct Credit – Applicants having bank accounts with the refund banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the refund bank(s) for the same would be borne by the Company.
3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centers and whose refund amount exceeds Rs. 5 million, 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 the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through EFT 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 aped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. 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 upto 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 centers will be payable by the Bidders.

Disposal of applications and application moneys and interest in case of delay

Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

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 shall be made only in dematerialized 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 (fifteen) 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)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, 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.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the GoI, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No. 285 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.

Undertaking by our company

We undertake as follows:

- a) that the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- b) that all steps shall 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;
- c) that the funds required for dispatch of refund orders or allotment advice to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) that the refund orders or allotment advice to the NRIs or FIIs shall be dispatched within specified time.
- f) that no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.
- g) that Promoters' Contribution in full, wherever required shall be brought in advance before the Issue opens for public subscription
- h) that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Utilisation of issue proceeds

Our Board of Directors certifies that:

- a) All monies received out of the Issue of shares shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956;
- b) Our Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from the Stock Exchanges;

- c) Details of all monies utilized out of the Issue referred above under the sub item (a) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- d) Details of all unutilized monies out of the Issue of shares, if any, referred above under the sub item (a) shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;
- e) The utilization of monies received under reservations shall be disclosed under an appropriate head in the Balance Sheet of our Company indicating the purpose for which such monies have been utilized; and
- f) Details of all unutilized monies out of reservations shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

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 BRLMs, the Co-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 subscribed 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 BRLMs, the Co-BRLM and 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.

Investment by NRIs / FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Resident, NRI and FII applicants will be treated on the same basis as other categories for the purpose of allocation. As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States 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.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company (i.e., 10% of 1,46,89,100 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

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

Standard cut off time for uploading of Bids on Bid/Issue Closing date will be as under -

- a) A standard cut-off time of 3.00 p.m. for acceptance of the Bids
- b) A standard cut-off time of 4.00 p.m. for uploading of the Bids received from non retail applicants i.e. QIBs and HNIs
- c) A standard cut-off time of 5.00 p.m. for uploading of the Bids received from retail applicants, which may be extended up to such time as deemed fit by BSE/NSE after taking into account total no. of application received

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The regulations contained in Table 'A' in the First Schedule of the Companies Act, 1956 shall not apply to this Company but the regulation for the management of our Company and for observance of the members and their representatives shall be governed by its Articles of Association.

The Authorized share capital of our Company is Rs.15,00,00,000/- (Rupees Fifteen crores only) divided into 1,50,00,000 Equity Shares of Rs.10/- each.

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association of our Company are detailed below.

Each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

CAPITAL AND INCREASE OF CAPITAL

Article 3(a) provides that

The Authorised Share Capital of the Company shall be the capital as specified in Clause (V) (a) of the Memorandum of Association of the Company, payable in the manner as may be determined by the Board, from time to time, with power to increase, reduce, subdivide, cancel or repay the same or divide the same into several classes and to attach thereto any rights, privileges, or conditions or to consolidate or sub divide or re organize the shares, subject to the provisions of the Act, and to vary such rights as may be determined in accordance with the regulations of the Company. The Company shall be entitled to dematerialize its existing shares, reconvert its shares held by the depositories electronically to physical form and/ or to offer its fresh shares in electronic form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

Article 3(b) provides that

The minimum paid up share capital of the Company shall be Rs.5,00,000/- (Rupees Five Lacs Only).

SHARES AND CERTIFICATES

Article 4 provides that

The Shares in the capital shall be numbered progressively according to their several denomination and except in manner herein before mentioned no shares be subdivided. Every foreited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Article 5 provides that

The Board shall observe the restrictions as to allotment of shares to the public contained in Section 69 and 70 of the Act and shall cause to be made public contained in Section 69 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

Article 6 (i) provides

Where at the 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 un-issued capital or out of the increased share capital then

- a. such further shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid-up on those shares at the date.
- b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer, if not accepted, will be deemed to have been declined.
- c. 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 (b) hereof

shall contain a statement of this right. PROVIDED that the Directors may decline without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him

- d. After the 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 may dispose of them in such manner as they may think, in their sole discretion, deem fit.
- ii. Notwithstanding anything contained in the sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof) in any manner whatsoever.
 - (a) if a special resolution to that effect is passed by the company in general meeting; or
 - (b) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to 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.
- iii. Nothing in sub-clause (c) of (1) hereof shall be deemed;
 - a. To extend the time within which the offer should be accepted; or
 - b. To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- iv. 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 loan 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:

- a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- b. in the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or raising of the loans.

Article 7 provides that

Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit and (subject to the provisions of Section 79 of the Act) either at a premium or at par or at a discount.

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 General Meeting.

Provided that option or right to call for shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

Article 8 provides that

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.

Article 9 provides that

Any application signed by or on behalf of any applicant for shares on the company, followed by an allotment of any shares herein 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 purpose of these Article be a member.

Article 10 provides that

(1) 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 immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the company from the allottee thereof and shall be paid by him.

(2) Every member or his heirs, executors or administrators shall pay to the Company the portion of capital represented by his share or shares which may, for the time being, remain unpaid, thereon, in such amounts, at 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 or fit for the payment thereof.

Article 11 provides that

Except as required by law or ordered by a court of competent jurisdiction, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even hen having notice thereof) any benami, equitable, contingent, future or partial interest in any share or any interest in any fractional part of share (except only by these presents or by law otherwise provided) or any other rights in respect of any share, except in an absolute right to the entirety thereof in the registered holder.

Article 12 provides that

Notwithstanding anything contained in these articles, in accordance with the provisions of Sections 77A, 77AA and 77B of the Act or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard by the relevant authorities, the Board of Directors/ members may, if and when deem fit, buy back such of the Company's own shares, stocks or securities, whether or not they are redeemable, as it may decide, subject to such limits, upon such terms and conditions, and subject to such approval, as are specified in this regard.

Article 13 provides that

The certificates of title to shares and duplicate thereof when necessary shall be issued under the seal of the Company.

Article 14 provides that

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.

Article 15 provides that

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, an a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

Article 16 provides that

The Company shall subject to and in accordance with the provisions of section 79A of the Act, shall have the power, by a Special Resolution passed at a General Meeting to issue Sweat Equity Shares to the Directors, Employees of either of the Company or of any of its subsidiary or holding Company.

Article 16A provides that

(a) Subject to the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the Articles of Association, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Managing Directors and the Whole time Directors such number of equity shares of the Company, in one or more tranches on such terms as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking pari passu with the existing equity shares of the Company.

(b) The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue.

(c) In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities as may be permitted in law, from time to time.

(d) All such issues as above are to be made in pursuance of Employees' Stock Option (ESOP) scheme to be drawn up and approved by the Board.

Article 17 provides that

Subject to the provisions of Section 77 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditional) for any shares or debentures in the company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of hares five percent of the price at which the shares are issued, and in case of debentures two and half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid up shares or debentures or partly in one way and partly in the other. The Company may also pay on any issue of shares or debentures such brokerage as may be deemed fit.

CALLS

Article 18 provides that

The Directors, may, from time to time, subject to the terms on which any shares may have been issue, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotments thereof made payable at fixed times and each member shall pay the amount of every call and place appointed by the Directors. A call may be made payable by installments.

Article 19 provides that

A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed. Not less than fourteen days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

Article 20 provides that

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 call of any of the members who from residence at distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as merger of grace and favour.

Article 21 provides that

If any member fails to pay any call, due from him on the day appointed for payment thereof or to pay interest on the same from the date appointed for the payment hereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such members and the Board shall be at liberty to waive payment of such interest either wholly or in part.

Article 22 provides that

If by the terms of issue of any shares or otherwise any amount is made payable on allotment or at any fixed date or installments at fixed times, whether on account of the amount the shares or by way premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and on which due notice had been given and all provisions herein contained in respect of calls relate to such amount or installment accordingly.

Article 23 provides that

On the trial of or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any moneys claimed to be due to the Company in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the Minute Book and that notice of such call was duly given to the member or his representatives sued 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 nor that meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Article 24 provides that

The Directors may, if they deem fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually for and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rates at the members paying such sum in advance and the Directors agree upon. Moneys so paid in excess of the amount of calls shall not rank for dividends or participate in profits. The Directors may at any time repay the amount so advanced upon giving to such members three months notice in writing.

Article 25 provides that

Where two or more persons are registered as holder of any share, they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: -

- (a) Shares may be registered in the name of any person, company, or other body corporate but not more than three persons shall be registered jointly as members in respect of any shares.
- (b) The certificates of shares registered in the names of two or more persons shall be delivered to the person first named on the Register.
- (c) The joint-holders of a share shall be jointly and several liable to pay all calls in respect thereof.

- (d) If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of share certificates, dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holder of a share shall be severally as well as jointly liable for the payment of all installment and calls due in respect of such share for all incidents thereof accordingly to the company's regulations.

FORFEITURE OF SHARE

Article 26 provides that

If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Directors may be at any time hereafter during such time as the call or installment remains unpaid serve a notice on such member requiring him to pay the same together with any interest that may have occurred and all expenses that may have been incurred by the Company by reason of such non-payment.

Article 27 provides that

The notice shall name a day (not being less than fourteen days from the date if the notice) and a place or places on and at which such all or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that be paid. The notice shall also state that in the event of non-payment of at or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

Article 28 provides that

If the requisition of any such notice as aforesaid be not complied with, an shares in respect of which such notice an has been given may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by resolutions of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Article 29 provides that

When any share have been so forfeited, notice if the resolution shall be given to the members 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 but no forfeiture, shall be in any manner invalidated by any commission or neglect to give such notice or to made such entry as aforesaid.

Article 30 provides that

Any share so forfeited shall be deemed to the property of the Company and the Directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit.

Article 31 provides that

The Directors may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise dispose of annual the forfeiture thereof on such conditions as they think fit.

Article 32 provides that

Any member whose shares have been forfeited shall notwithstanding be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses, owing upon or in respect of such share at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at 12 percent per annum, and the Directors may enforce the payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture but shall not be under any obligation to do so.

Article 33 provides that

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands, 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.

Article 34 provides that

A duly verified declaration, in writing that the declarant is a director or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in declaration shall be exclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on sale or disposal thereof shall constitute a good title to such shares and shall not be bound to see to the application of the purchase money nor shall his title to such shares be affected by any irregularity such shares be affected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale of disposal.

LIEN

Article 35 provides that

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.

Article 36 provides that

For the purpose of enforcing such lien, the directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee curator bonds or other legal curator and default shall have been made by him or them in the payment of moneys called in respect of such shares for seven days after such notice.

Article 37 provides that

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 residue, if any shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Article 38 provides that

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be enter in the register in respect of the shares sold and the purchaser shall not be bout to see the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the register in respect of such share the validity of the same shall no be impeached by any persons and the remedy of any person aggrieved by the sale shall be in damages only and against the company exclusively.

Article 39 provides that

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 shall when the same shall on demand by the Company have been previously surrendered by the defaulting member stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of such shares to the person or persons entitled thereof distinguishing it or them in such manner as they may think fit from the old certificate or certificates.

TRANSFER AND TRANSMISSION OF SHARES

Article 40 provides that

- (aa) The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

- (b) The Company shall not register a transfer of shares in or debenture of the company and the proper instrument of transfer duly stamped and executed by or on behalf of the transfer and transferee and specifying the name, address and occupation, if any, of the transferee have been delivered to the Company alongwith the certificate relating to the shares, debentures of if so much certificate is in existence alongwith the letter of allotment of shares or debentures provided that where on an applications made in writing to the company by transferee and bearing he stamp required by an instrument of transfer, it is provided to the satisfaction of the Board of Directors that instrument of transfer signed by or on behalf of transferor and the transferee has been lost, the Company may register the transfer on such terms as to indemnity or otherwise as the Board may think fit.
- (c) An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor, no registration shall in case of partly paid shares be effected unless the Company gives notice of the application to the transferee in accordance with Section 110 of the Act.
- (d) For the purpose of sub-clause (c) notice to the transferee shall be deemed to have been duly given in dispatch by prepaid registered post of the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.
- (e) Nothing in sub-clause (d) shall prejudice any power of the Board of Directors to register as a shareholder any person to whom the right to any person to whom the right to any share has been transmitted operation of law.
- (f) No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.
- (g) The Company shall not take any notice of Trust of its Shares and / or debentures save and except as provided in Section 187 C of the Companies Act, 1956.

Article 40 (a) provides that

The instrument of transfer of any shares in the Company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

Article 41 provides that

The Board shall have the power on giving not less than seven days' previous notice by advertisement in a newspaper circulating in the district in which registered office of the Company is situated to close the transfer books, the register of members at such time and times for such period or periods, not exceeding thirty days at a time and exceeding thirty days at a time and exceeding not in the aggregate forty five days in each year, as it may seem expedient.

Article 42 provides that

The provisions of Section 111 of the Companies Act, 1956, regarding powers to refuse Registration of Transfer and appeal against such refusal should be adhered to. 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.

Article 43 provides that

The executors or administrators or holder of a succession certificate or the representatives of a decease (not being one or two or more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representatives unless they shall have first obtained Probate or Letters of Administration or Succession Certificate or other legal representation as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration of succession Certificate upon such terms as to indemnity or otherwise as the Board, in its absolute discretion may think necessary and under the next Article register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased member as a member.

Article 44 provides that

Subject to the provisions of the Articles 42 and 43, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy, or insolvency of any member or by any lawful means other than by transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he purports to act under these Articles or of his title as the Board thinks sufficient either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee as instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the shares.

Article 45 provides that

The person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered of the shall except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to the meeting of the company provided that the Board may at any time give notice required any such persons to elect either to be registered himself or to transfer shares and if notice is not complied with within sixty days, the Board may thereafter without payment of all dividends, bonus or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Article 46 provides that

Every instrument of transfer which is registered shall remain in the custody of the Company until destroyed by order of the Board.

Article 47 provides that

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

Article 48 provides that

The Company shall incur no liability or responsibility whatever in on sequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the company may have had notice of such equitable right title or interest to notice prohibiting registration.

Article 48A provides that

Company to recognise interest in dematerialised securities under Depositories Act

- (i) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
- (ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, dematerialise its securities held In the Depository and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act and the rules framed thereunder. If any.
- (iii) Every person subscribing to or holding securities of the Company shall have the option to receive security certificate or to hold the security with a Depository, the Company shall Intimate such Depository the details of allotment of the security, and on receipt of the Information, the Depository shall enter in its record the name of the allottee ad the Beneficial Owner of the security.

- (iv) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.
- (v) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- [vi] Same as otherwise provided in (1) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- [vii] Every person holding securities of the Company and whose name is entered as Beneficial Owner in the records of the Depository shall be deemed to be the member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits subject to all the liabilities in respect of his securities, which are held by a Depository.
- [viii] Except as ordered by a court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the register of members as holders of any share or where the name appears as Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles, otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- [ix] Every Depository shall furnish to the Company about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the by-laws and the Company in that behalf.
- [x] Upon receipt of certificate of securities of surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- [xi] If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfilment 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.
- [xii] Notwithstanding anything in the Act or these Articles to the contrary, these securities are held in a Depository, the records of the beneficial ownership⁹ may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- [xiii] Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.
- [xiv] Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- [xv] The shares in the capital be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

- [xvi] The Company shall cause to be kept a Register and index of Members and a Register and index of Debenture holders in accordance with Sections 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronics media. The Register and index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to the Register and index of Members and Register and index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.
- [xvii] The Company shall keep a Register of Transfer and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

Article 48B provides that

- (a) In accordance with and subject to the provisions of Section 109A of the Act, every holder of shares in or holder of debentures of, a company may, at any time nominate, in the prescribed manner, a person to whom his shares in or debentures of the Company shall vest in the event of his death.
- (b) Where the shares in or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of, the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company or as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be, all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

BORROWING POWERS

Article 49 provides that

Subject to the provisions of Sections 292 and 293 of the Act and of these Articles, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the Company.

Article 50 provides that

The payment of repayment of moneys borrowed as aforesaid 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 a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debentures or debenture – stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures, debenture-stock and other securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

Article 51 provides that

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of share and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures, debenture-stock or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the company in General Meeting.

VOTES OF MEMBERS

Article 75 provides that

No member shall be entitled to vote either personally or by proxy or another member at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon poll 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 any right of lien and has exercised the same.

Article 76 provides that

- (a) On a show of hands, every holder of equity share entitled to vote and present in person or by proxy shall have one vote and on a poll the voting right of every holder of equity shares whether present in person or by proxy, shall be in proportion to his share of the paid up equity capital of the Company.
- (b) The voting rights of the holders of redeemable cumulative preference shares shall be in accordance with Section 87 of the companies Act, 1956.

Article 77 provides that

All the 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.

Article 78 provides that

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll, vote by proxy, if any member be a minor, the vote in respect of his shares shall be by his guardian or any one of his guardians, if more than one.

Article 79 provides that

(1) Subject to the provisions of these Articles votes may be given either personally or by proxy; A corporation being a member may vote by representative duly authorized in accordance with Section 197 of the Act, and such representative shall be entitled to speak, demand a poll, vote, appoint a proxy and in all other respect exercise the rights of a member and shall be reckoned as a member for all purposes.

(2) Every proxy (whether a member or not), shall be appointed in writing under the hand of the appointer or his attorney) or if such appointer is a corporation under the common seal of such corporation, or the hand of its officer or an attorney duly authorized by it and committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

(3) The instrument appointing a proxy and he power of attorney or other authority (if any) under which it is signed or a notary certified copy of that power or authority, shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purposes to vote, and in default the instruments of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

(4) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in either of the forms set out in Schedule IX of the Act.

(5) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed, of the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting.

Article 80 provides that

(1) No objection shall be made to the validity of any vote except at the 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 purposed of such meeting or poll whatsoever.

(2) The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be he sole judge of the validity of every vote tendered at such poll.

Article 81 provides that

Subject to the provisions of Section 193 of the Act, the company shall cause to be kept minutes for all proceedings of general meeting which shall contain a fair and correct summary of the proceedings thereat and a book containing such minutes shall be kept at the registered office of the Company and shall be open during business of the Company and shall be open during business hours, for such periods not being less in the aggregate that to hours in each day as the Directors may determine for the inspection of any member without charge. The minutes aforesaid shall be kept by making within thirty days of the conclusion of every such meeting concerned. Entries thereof in the aid book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of death or inability of the chairman to sign as aforesaid within that period, by a Director duly authorized by the Board for the purpose. In no case shall be minutes be attached to any such book by pasting or otherwise.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts, not being contracts entered in the ordinary course of business carried on by our Company, which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Prospectus delivered to Registrar of Companies, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office situated at Unit No.53, 1st Floor, Jagat Satguru Industrial Estate, Vishveshwar Nagar Road, Goregaon (East), Mumbai-400063 between 10.00 a.m. to 4.00 p.m. on any working day, excluding Saturday and Sunday, from the date of this Red Herring Prospectus until the Issue Closing Date.

MATERIAL CONTRACTS TO THE ISSUE

1. Memorandum of Understanding dated July 21, 2008 entered into by the Issuer with the Book Running Lead Managers to the Issue.
2. Memorandum of Understanding dated July 1, 2008 entered into by the Issuer with Mondkar Computers Private Limited, to act as the Registrar to the Issue.
3. Memorandum of Understanding dated April 22, 2009 entered into by the Issuer with Ashika Capital Limited, to act as the Co – Book Running Lead Manager to the Issue.
4. Escrow Agreement dated May 11, 2009 between Escrow Collecting Bank, BRLMs, the Co-BRLM Registrar and the Issuer Company.
5. Syndicate Agreement dated May 11, 2009 between BRLMs, the Co-BRLM, Syndicate Members, the Registrar and the Issuer Company.
6. Underwriting Agreement dated May 11, 2009 between BRLMs, the Co-BRLM, Syndicate Members and the Issuer Company.
7. Inter-se Agreement entered into between BRLMs and the Co-BRLM for allocation of responsibilities for the Issue

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated November 24, 1994 issued by the Registrar of Companies, Maharashtra issued to our Company.
3. Copy of the resolution passed at board meeting and general meeting approving the terms of compensation to be paid to Mr. Sunil Golchha (Managing Director), Mr. Kamal Chand Golchha (Executive Director).
4. Copy of the resolution passed at board meeting held May 29, 2008 and special resolution passed at the Extra Ordinary General Meeting of the Company held on June 23, 2008 under section 81(1A) of the Companies Act, 1956 for authorizing the Issue.
5. Copy of the Annual Reports of our Company for the years ended March 31, 2004; March 31, 2005; March 31, 2006; March 31, 2007 and March 31, 2008 and audited results for a period of nine months ended December 31, 2008.
6. Consents of the Directors, Company Secretary and Compliance Officer, Auditors, Book Running Lead Managers to the Issue, Syndicate Members, Legal Advisor, Banker to the Company, Bankers to the Issue, Refund Banker and Registrars to the Issue to include their names in the Red Herring Prospectus, to act in their respective capacities.
7. Copy of the Auditors Report dated April 25, 2009 of M/s. Bharat J. Rughani, Chartered Accountant, our statutory auditors for the Financial Year ended March 31, 2004; March 31, 2005; March 31, 2006; March 31, 2007, March 31, 2008 and for a period of nine months ended December 31, 2008.

8. Copy of the Tax Benefits Certificate dated April 25, 2009 by M/s. Bharat J.Rughani & Co, Chartered Accountants.
9. Copy of the Auditors Certificate dated April 25, 2009 regarding the sources and deployment of funds.
10. Copy of resolution passed at the board meeting held on January 25, 2006 for the formation of the Audit Committee and Investor Grievance Committee.
11. Sale Deed dated October 28, 2006 made by and between the Issuer and Kiku Sarkar and others for purchasing land bearing Survey No. 728/1 situate at Daman.
12. Memorandum of Understanding dated June 27, 2008 entered into by the Issuer with the M/s. Haveli Enterprise, a Proprietary concern, through its Proprietor Shri Fatehsinh for purchasing the land bearing Survey No.60/P situate Silvassa admeasuring about 4.8 hectare for setting factory unit 3.
13. Due Diligence Certificate dated on August 4, 2008 from Book Running Lead Managers IDBI Capital Market Services Limited and PL Capital Markets Private Limited.
14. Copies of the applications made to BSE, PSE and JSE on August 11, 2008, August 8, 2008 and August 8, 2008 respectively.
15. In-principle listing approval dated September 24, 2008, November 10, 2008 and October 14, 2008 received from BSE, PSE and JSE respectively.
16. Copy of tripartite agreement dated August 29, 2002 entered between the Company, Mondkar Computers Private Limited and NSDL, for offering depository services.
17. Copy of Tripartite agreement dated January 24, 2008 between the Company, Mondkar Computers Private Limited and CDSL, for offering depository services.
18. SEBI observation letter no. CFD/DIL/ISSUES/NB/148347/2008 dated December 22, 2008.
19. Copy of the Board Resolution passed at meeting of Board of Directors held on May 22, 2009 for approving the Price Band and this Red Herring Prospectus.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 1956 and other relevant statutes.

DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this 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 thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors:

Mr. Sunil B. Golchha

:



Mr. Kamal Chand B. Golchha

:



Mr. Ashok Khajanchi

:



Mr. Amla Prasad Mishra

:



Mr. Sunil Vayalambbron Adiyeri

:



Mr. Prakash Santoshchandra Jain

:



Signed by the Financial Controller

Mr. Deepak Ashani

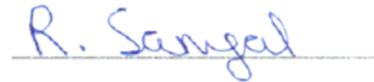
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Signed by the Company Secretary and Compliance Officer

Mr. Ranabir Sanyal

:



Date : May 22, 2009

Place : Mumbai, Maharashtra

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