Draft Letter of Offer
Dated: December 29, 2022
For Eligible Shareholders only

RUSHIL DECOR LIMITED

Rushil Decor Limited ("**Company**" or "**Issuer**") was originally incorporated as *'Rushil Decor Private Limited'* on May 24, 1993 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli ("**RoC**"). Pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated November 19, 2007 our Company was converted into a public limited company and subsequently, the name of our Company was changed to *'Rushil Decor Limited*' and a fresh certificate of incorporation dated December 04, 2007 consequent to the conversion was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The registered office of our Company was originally situated at A-701, Fair Deal House, Near Swastik Char Rasta, Navrangpura, Ahmedabad – 380 009, Gujarat, India. Thereafter, the registered office of our Company was changed to 1, Krinkal Apartment, Opposite: Mahalaxmi Temple, Near Mahalaxmi Char Rasta, Paldi, Ahmedabad – 380 007, Gujarat, India on February 12, 1998 and subsequently to S. No. 125, Near Kalyanpura Patia, Gandhinagar – Mansa Road, Village Itla, Tal: Kalol, District: Gandhinagar - 382 845, Gujarat, India on August 20, 2007.

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

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

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 12,420 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 229 OF THIS DRAFT LETTER OF OFFER.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 21 of this Draft Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SAFFRON CAPITAL ADVISORS PRIVATE LIMITED 605, Center Point, 6th floor, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India. **Telephone:** +91 22 4973 0394 **E-mail:** rights.issue@saffronadvisor.com **Website:** www.saffronadvisor.com **Investor grievance:** investorgrievance@saffronadvisor.com **Contact Person:** Gaurav Khandelwal/ Vipin Gupta **SEBI Registration Number:** INM 000011211 **Validity of Registration:** Permanent	**BIGSHARE SERVICES PRIVATE LIMITED** Office No S6-2, 6th floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai-400 093, Maharashtra, India. **Telephone:** +91 22 6263 8200/ 22 **E-mail:** rightsissue@bigshareonline.com **Website:** www.bigshareonline.com **Contact person:** Vijay Surana **Investor grievance:** investor@bigshareonline.com **SEBI Registration No:** INR000001385 **Validity of Registration:** Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Provided that terms used in the sections/ chapters titled "Industry", "Summary of this Draft Letter of Offer", "Financial Information", "Statement of Tax Benefits", "Outstanding Litigation and Defaults" and "Issue Information" on pages 78, 19, 104, 74, 218 and 229 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

Company Related Terms

Term	Description
"Company", "our Company", "the Company", "RDL", "the Issuer"	Rushil Decor Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at S. No. 125, Near Kalyanpura Patia, Gandhinagar Mansa Road, village Itla, Tal. Kalol, Gandhinagar – 382845 Gujarat, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company.
"Articles" / "Articles of Association" / "AoA"	Articles / Articles of Association of our Company, as amended from time to time.
"Annual Audited Financial Statements" or "Annual Audited Financial Information"	The audited financial statements of our Company for the year ended March 31, 2022 prepared in accordance with IND AS which comprises the balance sheet as at March 31, 2022, the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended March 31, 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon.
"Audit Committee"	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and Section 177 of the Companies Act, 2013.
"Auditor" / "Statutory Auditor"/ "Peer Review Auditor"	Statutory and peer review auditor of our Company, namely, M/s. Pankaj R. Shah & Associates, Chartered Accountants.
"Board" / "Board of Directors"	Board of directors of our Company or a duly constituted committee thereof.
"Chief Executive Officer/ CEO"	Keyur Mohanbhai Gajjar, the Chief Executive Officer of our Company.
"Chief Financial Officer / CFO"	Hiren Bachubhai Padhya, the Chief Financial Officer of our Company.
"Company Secretary and Compliance Officer"	Hasmukh Kanubhai Modi, the Company Secretary and Compliance Officer of our Company.
"Corporate Office"	Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad-380058, Gujarat, India.
"Corporate Promoters"	Krupesh Ghanshyambhai Thakkar (HUF) and M/s. Rushil International (partnership firm)
"Corporate Social Responsibility Committee/ CSR Committee"	The committee of the Board of directors constituted as our Company's corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013.

Term	Description
"Director(s)"	The director(s) on the Board of our Company, unless otherwise specified.
"Equity Shareholder"	A holder of Equity Shares
"Equity Shares"	Equity shares of our Company of face value of ₹ 10 each.
"*Erstwhile* Promoter"	Pursuant to Regulation 30 and 31A(6)(c) of SEBI Listing Regulations, Ghanshyambhai Ambalal Thakkar ceased to be the promoter of our Company on August 25, 2021, due to his demise, and therefore he has been referred to as the *Erstwhile* Promoter of our Company in this Draft Letter of Offer.
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors– eligible equity shareholders as on record date making an Application through the ASBA facility.
"Executive Directors"	Executive directors of our Company.
"Financial Statements" or "Financial Information"	Collectively the Audited Financial Statements and the Limited Reviewed Financial Results, unless otherwise specified in context thereof.
"Independent Director(s)"	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
"Key Management Personnel" / "KMP"	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled "*Our Management and Organisational Structure – Key Managerial Personnel*" on page 103 of this Draft Letter of Offer.
"Limited Reviewed Financial Results"	The limited reviewed unaudited financial results dated November 8, 2022 for the six month period ended September 30, 2022, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see "*Financial Information*" on page 104 of this Draft Letter of Offer.
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.
"Memorandum of Association" / "MoA"	Memorandum of association of our Company, as amended from time to time.
"Nomination and Remuneration Committee"	The committee of the Board of directors reconstituted as our Company's nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.
"Non-executive Directors"	Non-executive Directors of our Company.
"Non-Executive and Independent Director"	Non-executive and independent directors of our Company, unless otherwise specified
"Promoter(s)"	The promoters of our Company, namely, Krupesh Ghanshyambhai Thakkar, Krupesh Ghanshyambhai Thakkar (HUF), Krupa Krupesh Thakkar and M/s. Rushil International.
"Promoter Group"	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
"Registered Office"	The registered office of our Company located at S. No. 125, Near Kalyanpura Patia, Gandhinagar Mansa Road, village Itla, Tal. Kalol, Gandhinagar – 382845 Gujarat, India.
"Registrar of Companies"/ "RoC"	Registrar of Companies, Gujarat at Ahmedabad situated at ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.
"Fund Raising Committee"	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
"Shareholders/ Equity Shareholders"	The Equity Shareholders of our Company, from time to time.
"Stakeholders' Relationship Committee"	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations.

Issue Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009

Term	Description
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
"2020 Rights Issue"	Issue of 49,77,111 partly- paid up equity shares of Face Value ₹ 10 each of our Company at an issue price of ₹ 50 per equity share aggregating to ₹ 2,489 lakhs on a rights basis undertaken, pursuant to the draft letter of offer dated August 11, 2020 and letter of offer dated September 07, 2020.
Abridged Letter of Offer	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in "*Terms of the Issue*" on page 229.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the LM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in.

Term	Description
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●].
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLoF/DLOF	This draft letter of offer dated December 29, 2022 filed with SEBI and the Stock Exchanges.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "*Notice to Investors*" on page 12.
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 12,420 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date.
Issue Agreement	Issue Agreement dated December 20, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Material	Collectively, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter.
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to ₹ 12,420 lakhs
Lead Manager	Saffron Capital Advisors Private Limited
Letter of Offer/LOF	The final letter of offer to be filed with SEBI and the Stock Exchanges.
Monitoring Agency	Monitoring Agency appointed for the purpose of the Issue namely [●]
Monitoring Agency Agreement	Agreement dated [●] entered into between our Company and the Monitoring Agency in relation to monitoring of Issue Proceeds.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "*Objects of the Issue*" on page 67 of this Draft Letter of Offer.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●], [●].

Term	Description
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
"Registrar to the Issue" / "Registrar"	Bigshare Services Private Limited
Registrar Agreement	Agreement dated December 20, 2022 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
RE ISIN	ISIN for Rights Entitlement i.e. [•]
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Shares for [●] Equity Shares held on [●], [●]. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Rights Issue Circular	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Self-Certified Syndicate Banks" or "SCSBs	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchanges	Stock Exchanges where the Equity Shares are presently listed, being BSE and NSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulent Borrower	A wilful defaulter or a fraudulent borrower, as defined under the SEBI ICDR Regulations
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue

Term	Description
	Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges. “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
Bn.	Billion
CAD	current account deficit
CAGR	Compound annual growth rate
CBM	Curriculum-Based Measurement
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
EMDEs	Emerging Market and Developing Economies
G-20	Group of 20
GDP	Gross Domestic Product
GST	Goods and services tax
GVA	Gross Value Added
HDHMR	High Density High Moisture Resistance
HPL	high-pressure laminates
IIP	Index of industrial portfolio
IMF	International Monetary Fund
LEED	Leadership in Energy and Environment Design
LPL	low pressure Laminates
MDF	Medium Density Fiber board
Mn.	Million
NABARD	National Bank for Agriculture and Rural Development
NHB	National Housing Bank
NIFTY	National stock exchange FIFTY
OPEC	Organization of Petroleum Exporting Countries
PA	Provisional Actual
PPP	Purchasing Power Parity
PVC	Poly Vinyl Chloride
RBI	Reserve Bank of India
RERA	Real Estate Regulatory Act
RTA	Ready to assemble
SENSEX	Sensitive Index
SIDBI	Small industrial Development Bank of India
USA/US	United States of America
USD	US Dollar
WEO	World Economic Outlook
WPI	Wholesale price index
YoY	Year-on-year

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited

Term	Description
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
CS	Company Secretary
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.

Term	Description
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The Government of a state in India
Trademarks Act	Trademarks Act, 1999, as amended
TDS	Tax Deducted at Source
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996

Term	Description
	or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. In accordance with the SEBI ICDR Regulations, our Company will at least three days before the Issue Opening Date, dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Investors can also access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, SEBI and the Stock Exchanges.

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

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR

AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

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

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

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

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

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM LEAD MANAGER OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

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

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

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

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see "*Financial Information*" on page 104. Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Financial Statements of our Company have been prepared in accordance with Ind AS and recognition and measurement principles laid down in Ind AS 34 prescribed under the Section 133 of the Companies Act 2013 and Regulation 33 of SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

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

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "*Financial Information*" on page 104.

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

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;

- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America; and

- "Euro" or "€" are to Euros, the official currency of the European Union.

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

Exchange Rates

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

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

Currency	Exchange rate as on			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.55	75.80	73.53	75.38
1 Euro	80.11	84.65	86.10	83.05

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. We believe the industry and market data used in this Draft Letter of Offer is reliable. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 21, this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD - LOOKING STATEMENTS

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

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

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

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

financial markets in India and globally;

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

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 21, 87 and 199, respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

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

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled "*Risk Factors*", "*The Issue*", "*Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry*", "*Outstanding Litigations and Defaults*" and "*Terms of the Issue*" on pages 21, 58, 64, 67, 87, 78 and 218 respectively.

1. Summary of Business

Our Company is engaged into manufacturing of Laminated Sheets, MDF Board and PVC Foam Board using facilities strategically located at Gujarat, Karnataka and Andhra Pradesh. Our Company manufactures decorative (single sided) as well as industrial (double sided) Laminates with a wide range of designs, colours and finishing in three of its manufacturing plants located at Gujarat. Our Company also manufactures standard thick MDF Boards and Pre-lam MDF Boards at its plant located at Chikmagalur, Karnataka and Andhra Pradesh. At our manufacturing unit in Karnataka, our Company also manufacture PVC Foam Board.

For further details, please refer to the chapter titled "*Our Business*" at page 87 of this Draft Letter of Offer.

2. Objects of the Issue

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

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount*
1	Repayment or pre-payment in full or part, of certain identified unsecured loans availed by our Company from the Promoter and members of the Promoter Group.	5,670.00
2	To augment the existing and incremental working capital requirement of our Company	4,230.00
3	General Corporate Purposes*	[●]
Net proceeds from the Issue**		[●]

** Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*
*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

For further details, please see chapter titled "*Objects of the Issue*" beginning on page 67 of this Draft Letter of Offer.

3. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Our Promoters and member of our Promoter Group have, *vide* their letters dated December 20, 2022 (the "**Subscription Letters**") undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company. Further, solely in the event of an under-subscription of this Issue, our Promoters and members of our Promoter Group may subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

The additional subscription, if any, by our Promoters and members of our Promoter Group shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

4. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company is provided below:

Nature of cases	Number of cases	Amount involved* (₹ in lakhs)
Proceedings involving moral turpitude or criminal liability on our Company	Nil	Nil
Proceedings involving material violations of statutory regulation by our Company	01	4.20^
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	01	19,016.36

**To the extent quantifiable*
^Excluding applicable taxes

5. Risk Factors

Please see the chapter titled "*Risk Factors*" beginning on page 21 of this Draft Letter of Offer.

6. Summary of Contingent Liabilities

For details regarding our contingent liabilities for six month period ended September 30, 2022 and the Fiscal 2022, see "*Financial Information*" at page 104 of this Draft Letter of Offer.

7. Summary of Related Party Transactions

For details regarding our related party transactions for six month period ended September 30, 2022 and the Fiscal 2022, see "*Financial Information*" at page 104 of this Draft Letter of Offer.

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

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

SECTION II - RISK FACTORS

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

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 78, 87 and 199 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available information as well as industry publications and sources.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 17 of this Draft Letter of Offer.

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

Materiality:

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

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

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

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

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

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

INTERNAL RISK FACTORS

<u>BUSINESS RELATED RISKS</u>

1. ***We are yet to obtain consents/ no objection certificate from certain lenders of our Company for the Issue.***

Our Company has entered into agreements for fund based and non-fund-based borrowings with certain lenders. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations which *inter-alia* include change in capital structure (including this present proposed Issue), formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying secured loan loans, repaying unsecured loans availed from our Promoters and Directors, undertake guarantee obligations, which shall require our Company to obtain prior approval. Further, as part of the facility agreements and arrangements executed by our Company with Bayerische Landesbank, our Company and our Promoters are required to comply with certain financial covenants, such as maintaining unsecured loans from our Directors and Promoters. While, our Company had applied to five (05) lenders, namely Bank of Baroda, Landesbank Baden-Württemberg, Bayerische Landesbank, Yes Bank Limited and Axis Bank Limited, for obtaining their consents/ non-objection certificates for undertaking this Issue and for the objects of this Issue, however, as of date of this Draft Letter of Offer, our Company has not received no-objection certificates from the aforementioned lenders. We have *vide* letters and emails dated November 25, 2022, December 7, 2022, December 22, 2022, December 26, 2022 and December 27, 2022 requested and followed-up with the aforementioned lenders to provide us with their consent/no objection certificate to undertake the Issue, however, as of date of this Draft Letter of Offer, except for Bank of Baroda and Bayerische Landesbank, we have not received any response from any of the other aforementioned lenders. Undertaking the Issue without obtaining consents/no objection certificates from the aforementioned lenders may constitute a breach of covenant under the relevant financing documents, which could entitle the respective lenders to consider this Issue as an event of default under the loan agreements, thereby entitling them to take adverse actions against our Company as per their respective agreements. The occurrence of any of the events mentioned above can adversely affect our business, results of operations and financial condition.

2. ***Our Company proposes to set a new unit in vicinity of existing laminate plants in Gujarat to manufacture decorative laminates. We cannot assure you that the proposed manufacturing unit will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.***

In addition to our existing manufacturing units in Gujarat, Karnataka and Andhra Pradesh, we are in the process of setting up another manufacturing unit for decorative laminates including bigger size (jumbo size) laminates having aggregate installed capacity of 1.2 million sheets per annum at an approximate outlay of ₹ 6,000 lakhs. The commercial production of the said manufacturing unit is expected to begin by June, 2024. Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. Additionally, we may face risks in commissioning the proposed unit including but not limited to, delays in the construction of our proposed manufacturing unit, problems with its facilities or for other reasons, our proposed manufacturing unit does not function as efficiently as intended, or utilisation of the proposed unit is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the project.

We have experienced time and cost overruns while commissioning our manufacturing unit for thin and thick MDF in the state of Andhra Pradesh. We had proposed to initiate the regular commercial production in the said manufacturing unit in March 2020, however, due to the COVID-19 pandemic and the nationwide lockdown which was imposed and the consequent delay in installation of the machinery which was imported from Germany, our Company initiated commercial production of the said manufacturing unit on March 6, 2021. Further, another reason for the delay was that one of the machinery suppliers had invoked the force majeure clause of the agreements executed for purchase of machinery and had called back all their personnel delayed in the manufacturing unit. Due to the delay in the initiation of regular commercial production of the manufacturing unit, our Company also suffered a cost overrun of approximately ₹ 19,034.63 lakhs. In the event of any delay in the schedule of implementation of our proposed manufacturing unit or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. If our proposed project is not commissioned at the scheduled time, our Company may face cash crunch to repay the interest obligations. Further, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected.

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

Our Company is engaged in the business of manufacturing decorative laminated sheets, MDF board and PVC foam board and therefore we are highly dependent on certain key raw materials such as, kraft paper, base paper, eucalyptus and other agro-forestry wood, and other synthetic resin. We are dependent on third party suppliers for procuring the aforementioned raw materials, for manufacturing our products. Similarly, we are also dependent on farmers who are engaged in cultivating the trees from which we derive our major raw materials for MDF board. Our top five suppliers accounted for 31.99%, 27.97% and 28.11% of our expenses towards the purchase of raw materials for the six month period ended September 30, 2022 and the Fiscals 2022 and 2021, respectively. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. While the aforementioned events have not materially occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. During the six month period ended September 30, 2022 and the Fiscals 2022 and 2021, our cost of raw material consumed amounted to 50.32%, 59.29% and 51.94% of our revenue from operations, respectively. Our Company maintains a list of registered and unregistered suppliers from whom we procure the materials on order basis. While, we generally do not enter into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers, however for supply of eucalyptus pulpwood (with bark) to our manufacturing unit situated at Karnataka, we have executed an agreement with one of our suppliers, setting out the quantity of the raw material to be supplied, cost of the raw material and other material terms. We rely on pre-booking capacity with our suppliers, based on our demand projections. Since we generally do not enter into formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not generally contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us. While the aforementioned events have not materially occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

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

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

Our Company has entered into formal agreements with several direct dealers, distributors, consignment stockists and branch offices to market and sell our products on payment of a pre-decided commission, thereby making us highly dependent on them for a significant portion of our revenue. The intermediaries forming part of our distribution network help us in marketing and selling our products domestically. We have a nationwide and global marketing and distribution network of direct distributors/dealers, branches and consignments laminated sheets and MDF board. Following are the details as on and November 30, 2022:

Sr. No	Particulars	Laminated Sheets	MDF Board
1	Direct distributors / Dealers	1,014	676
2	Branches and Consignments Stockists	20	9

Our distributors, dealers, consignment stockists and branch offices account for a substantial portion of our sales, and consequently our revenue, and we expect that such key intermediaries will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. The revenue earned by our Company from our distributors, direct dealers, consignment stockists and branch offices during the six month period ended September 30, 2022, Fiscal 2022 and Fiscal 2021 have been provided below:

S. No	Particulars	Six month period ended September 30, 2022		Fiscal 2022		Fiscal 2021	
		(₹ in lakhs)	% of our revenue from operations	(₹ in lakhs)	% of our revenue from operations	(₹ in lakhs)	% of our revenue from operations
1.	Consignment stockists	861.44	2.08	1,470.35	2.36	1,872.25	5.58
2.	Direct sales^#	38,721.13	93.49	58,264.80	93.35	30,094.18	89.71
3.	Branch offices	1,834.68	4.43	2,681.75	4.30	1,577.95	4.70

^Includes sales made to distributors and direct dealers.

#Our dealers include such dealers with which our Company has executed direct formal agreements. Further, our distributors also directly deal with certain dealers, thereby making such dealers, an indirect intermediary of our Company. The numbers provided for dealers, only include the director dealers engaged by our Company.

While, we have entered into formal agreements with such intermediaries, we cannot assure you that either of the parties will not terminate such agreement or breach any covenant of such agreements. Periodically we may have to discontinue business with certain intermediaries, for reasons including delay in payments and inability to meet the expected sales targets, among others. Our ability to terminate our arrangements with certain intermediaries may be limited by the terms of our agreements with them. We may need to litigate the intermediaries or litigations may be filed against us for any breach or termination of the contract, such litigation could be time consuming and costly and the outcome cannot be guaranteed. Further, the term of the contracts entered by our Company for distribution of our products range from two to three years, which are renewable at the end of the term, for additional periods, on terms mutually agreed between the parties, on expiry of such contracts, our Company or the intermediaries may not renew the contracts. While the aforementioned events have occurred in the past, however, such occurrence have not materially affected our financial condition, results of operations and prospects. We cannot assure you that occurrence of any future termination and associated events, would not materially affect our financial condition, results of operations and prospects.

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

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

Our ability to expand and grow our sales significantly depends on the reach and effective management of our distribution network and the continued cooperation of third parties such as dealers, consignment stockists, etc. We cannot assure you that we will continue to be able to effectively manage our distribution network and maintain good relationships with such third parties. Certain distribution intermediaries may have exclusivity arrangements with our competitors and may be unable to, or decline to, stock and distribute our products, which in turn may limit our ability to expand our distribution network.

In view of the growing demand of custom-sized laminates internationally, we are proposing to set up an additional manufacturing unit in Gujarat for manufacturing jumbo-size decorative laminates to cater to such demand in international markets. We intend to commence regular commercial production in our proposed manufacturing unit in 2024 and will need to expand our distribution network domestically and internationally, in view of the production of custom-sized laminates by our Company. We intend to capture our existing international intermediaries as well as create a distribution network in new markets to market the custom-sized laminates proposed to be manufactured by our Company. Our inability to strategically expand our distribution network may lead to revenue loss and impede the full utilisation of our production capacity. Due to our limited experience in the markets in which we propose to venture, we may face difficulties in creating and maintaining a distribution network, identifying our competitors or keeping up with the expectation and the requirement of the intermediaries and end use customers. While the aforementioned events have not materially occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects. We cannot assure you that we will be able to expand our sale and distribution network in accordance with our business plans, or at all, which may adversely affect our business, results of operations and financial condition.

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

Our Company has created a brand presence with our brands “VIR Laminates”, “VIR MDF”, “VIR PVC”, “VIR PROPLUS”, “VIR MAXPRO”, “VIR PRELAM”, and others. We sell our products under our brands, which we believe are well recognized, have been developed to cater to our intermediaries and have contributed to the success of our business in the market for decorative laminates, MDF board and PVC foam board. We believe our brand’s image serve in attracting intermediaries and end use customers to our products in preference over those of our competitors. During the six month period ended September 30, 2022, the Fiscal 2022 and Fiscal 2021, our Company spent an amount of ₹ 182.97 lakhs, ₹ 572.46 lakhs and ₹ 420.35 lakhs, respectively, on marketing, branding and advertisement expenses, which constituted 0.53 %, 0.96 % and 1.30 %, of our total expenses, respectively, during the said period.

Maintaining and enhancing the recognition and reputation of these brands is critical to our business and competitiveness. Many factors, some of which are beyond our control, are important to maintaining and enhancing our brands, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives. In particular, from time to time we launch new products, and if any of those products do not meet standards for quality and performance or customers’ subjective expectations, our brand reputation and the sales of our products may be impacted. If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected.

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

Our Company *vide* a loan-cum hypothecation agreement and the supplemental composite agreement of hypothecation, each dated June 22, 2020, executed with Bank of Baroda has agreed to pledge 9.98% of its paid-up Equity share capital amounting to 19,85,925 Equity Shares held by our Promoter, Krupesh Ghanshyambhai Thakkar for securing the enhanced facilities lent by the bank. In terms of the clause 10 of the loan-cum hypothecation agreement executed with Bank of Baroda, the pledge of the securities confers the bank with the right to *inter alia* attend general meetings of our Company, exercise voting rights in respect of the pledged securities, receive notices issued to shareholders and open and operate a designated demat account in connection with the pledged securities.

On the occurrence of an event of default as described in the loan-cum hypothecation agreement, the lender would be entitled to enforce the pledge. Any default under the facility agreement may result in, *inter alia*, the lender taking ownership of the pledged shares, selling the pledged shares to any third party purchaser, and attending and exercising voting rights in respect of the pledged shares on any matter at any meeting of the members of our Company. Upon occurrence of an event of default triggering the enforcement of the pledged securities of our Promoter, the Banks pursuant to the arrangements executed for the pledge, would be entitled to exercise rights associated with the Equity Shares pledged with it, which may indirectly impact the business and operations of our Company. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

8. ***The majority of Issue proceeds will be utilized by our Company for part- repayment or prepayment of unsecured loans availed by it from two of our Promoters and one of the members of our Promoter Group. Accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.***

   One of the Objects of this Issue is to partly repay or pre-pay the unsecured loans amounting to ₹5,670.00 lakhs availed by our Company from two of our Promoters, namely, Krupesh Ghanshyambhai Thakkar and M/s. Rushil International and one of the members of our Promoter Group, namely, Dinuben Ghanshyambhai Thakkar. As on November 30, 2022, our Company has availed unsecured loans of ₹ 3,872.79 lakhs, ₹ 1,688.08 lakhs and ₹ 134.26 lakhs, from M/s. Rushil International, a partnership firm, Krupesh Ghanshyambhai Thakkar and Dinuben Ghanshyambhai Thakkar, respectively. For further details, please see the chapter titled "*Objects of the Issue*" beginning on page 67 of this Draft Letter of Offer. Further, our Promoters and Promoter Group have *vide* their subscription letters dated December 20, 2022, have confirmed that the application money due from them in lieu of their Rights Entitlements, can be adjusted towards the amount proposed to be repaid or pre-paid pursuant to this Issue. Accordingly, the utilization of Net Proceeds for repayment or pre-payment of unsecured loans would not result in an actual cash flow from our Company to our Promoters and will also not result in the creation of any tangible assets for our Company.

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

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

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

    Our manufacturing units are located in Gujarat, Karnataka and Andhra Pradesh. As a result, any local social unrest, natural disaster or breakdown of services and utilities in any of these areas could have material adverse effect on the business, financial position and results of our operations. Our current and proposed manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the six months period ended September 30, 2022, Fiscals 2022 and 2021, our income from sales within the following states has been provided below:

S. No.	States	Six month period ended September 30, 2022		Fiscal 2022		Fiscal 2021	
		(₹ in lakhs)	% of total revenue	(₹ in lakhs)	% of total revenue	(₹ in lakhs)	% of total revenue
1.	Gujarat (laminates)	9,955.20	24.04	18,545.90	29.71	17,243.73	51.41
2.	Karnataka (MDF board and PVC foam board)	12,575.36	30.36	19,153.96	30.69	12,821.78	38.22
3,	Andhra Pradesh (MDF board)	18,886.69	45.60	24,717.04	39.60	3,478.87	10.37
	Total	**41,417.25**	**100.00**	**62,416.90**	**100.00**	**33,544.38**	**100.00**

In the event, we are forced to shut down any of our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiraling cost of living around our units may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness. For instance, due to the COVID-19 pandemic and the nationwide lockdown which was imposed by the Central Government and various state governments, we had to shut down all our manufacturing units from March 24, 2020. Pursuant to various notifications issued by Ministry of Home Affairs, Government of India, all our manufacturing units were allowed to start their operations in the month of April and May 2020, subject to the conditions prescribed therein. Our Company was significantly impacted due to the first two waves of COVID-19 pandemic, the nationwide lockdown and consequent shut-down of our manufacturing unit. The turnover and gross profit of our Company as on December 31, 2019, before the onset of the COVID-19 pandemic was ₹ 25,937.31 lakhs and ₹ 1,771.15 lakhs, respectively. Post the onset of COVID-19 pandemic, the turnover and gross profit of our Company as on December 31, 2020 was ₹ 23,669.59 lakhs and ₹ 1,141.21 lakhs, respectively. Consequently, the turnover and gross profit of our Company from December 31, 2019 until December 31, 2020 reduced by 8.74% and 35.57%, respectively. In addition to the above, there was another instance in the past, wherein due to heavy rains, preventive maintenance activities and replacement of some of the parts of the plant, we had to shut down our Medium Density Fibre Board Manufacturing Unit (MDF Plant) at Chikmagalur for a period of 55 days. In case, due to any unforeseeable circumstances, we have to halt the operations in our manufacturing units, it may cause an adverse impact on our business operations, revenue, results of operations and financial conditions.

11. ***There are outstanding litigations involving our Company which, if determined adversely, may adversely affect our business and financial condition.***

We are involved in certain material legal proceedings which may adversely affect our operations and financial position. A summary of material outstanding legal proceedings involving our Company as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Nature of cases	Number of cases	Amount involved* (₹ in lakhs)
Proceedings involving moral turpitude or criminal liability on our Company	Nil	Nil
Proceedings involving material violations of statutory regulation by our Company	01	4.20^
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	01	19,016.36

**To the extent quantifiable*

^Excluding applicable taxes

We are, and may in the future be, party to other litigation and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects. There can be no assurance that we will be successful in any of these legal proceedings. For further details, see "*Outstanding Litigation and Defaults*" on page 218.

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

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

As per the formal agreements which have been entered into by us with our distribution intermediaries, in the event the quality of our products or our products suffer from defects and are returned to the intermediaries due to quality complaints received from the end users, we would be bound to take back the dead stock lying with the intermediaries at our own expense and would have to reimburse the expenses or financial losses incurred by the intermediaries on such stocks. During the six month period ended September 30, 2022, Fiscal 2022 and Fiscal 2021, goods amounting to ₹ 187.06 lakhs, ₹ 231.19 lakhs and ₹ 168.95 lakhs were returned to our Company on account of defects, quality concerns and for other miscellaneous reasons, and accordingly caused financial losses on account of the same. Such quality lapses could strain our relationship with our distribution intermediaries and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our intermediaries may lose faith in the quality of our products and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by the end use customers or intermediaries for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. While, we have faced product liability claims, in the past, however such claims have not materiality affected our financial condition and business operations, however we cannot assure you that any future product liability claims would not adversely affect our reputation and brand image, as well as force us to incur significant costs.

13. ***We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/periods. Any negative cash flows in the future could adversely affect our results of operations and financial condition.***

We have experienced negative cash flows from operations in the recent past. Our cash flow for FY 2020-21, FY 2021-22 and six months period ended September 30, 2022, are set forth in the table below:

(₹ in lakhs)

Particulars	For the year ended March 31		Period ended	
	2021 – 22	2020 – 21	September 30, 2022	September 30, 2021
Net cash generated from / (used in) Operating activities	(668.48)	7,708.89	6,984.27	(1,469.74)
Net cash generated from / (used in) Investing activities	(1,491.44)	(3,858.35)	(5,582.20)	376.38
Net cash generated from / (used in) from Financing activities	2,055.52	(3,760.14)	(1,399.81)	1,077.69

The reasons for incurring negative cash flow by our Company, have been provided below:

Operating Activities

Six months period ended September 30, 2022
There was an increase in net cash generated from operating activities to ₹ 6,984.27 lakhs for the period ended September 30, 2022 from negative ₹ 1,469.74 lakhs for the period ended September 30, 2021. This increase was primarily on account of increase in other liabilities for an amount of ₹ 1,443.40 lakhs, trade payables of ₹ 675.66 lakhs, increase in inventories for ₹ 2,760.29 lakhs, trade receivables of ₹ 1,759.66 lakhs. This increase was offset by decrease in other assets of ₹ 606.31 lakhs and short term provisions of ₹ 440.61 lakhs.

Financial year 2021-22
Net cash used in operating activities was ₹ 668.48 lakhs for the financial year 2021-22. Our operating profit before working capital changes was ₹ 7,525.73 lakhs for the financial year 2021-22 which was primarily adjusted for increase in trade receivables by ₹ 2,503.81 lakhs, inventories by ₹ 7,115.12 lakhs, trade payables by ₹769.03 lakhs, financial liabilities by ₹ 37.08 lakhs, and Short term provisions by ₹ 1,265.59 lakhs and decrease in financial Assets by ₹ 86.34 lakhs, other assets by ₹ 672.60 lakhs and decrease in other liabilities by ₹ 1,382.68 lakhs along with income tax paid of ₹ 23.25 lakhs.

Financial year 2020-21
Net cash generated from operating activities was ₹ 7,708.89 lakhs for the financial year 2020-21. Our operating profit before working capital changes was ₹ 3,899.11 lakhs for the financial year 2020-21 which was primarily adjusted for increase in trade payables by ₹ 716.91 lakhs, financial assets by ₹ 488.76 lakhs, financial liabilities by ₹ 2,139.12 lakhs and Short term provisions by ₹ 563.17 lakhs and decrease in inventories by ₹ 131.22 lakhs, trade receivables by ₹ 355.87 lakhs, other assets by ₹ 704.67 lakhs and decrease in other liabilities by ₹ 5.11 lakhs along with income tax paid of ₹ 307.30 lakhs.

Investing Activities

Six months period ended September 30, 2022
There was a decrease in net cashflow from investing activities to negative ₹ 5,582.20 lakhs for the period ended September 30, 2022 from ₹ 376.38 lakhs for the period ended September 30, 2021. This decrease was due to investment in property, plant & equipments of ₹ 5,419.08 lakhs and non-current assets of ₹ 163.62 lakhs.

Financial year 2021-22
Net cash used in investing activities was ₹ 1,491.44 lakhs for the financial year 2021-22. This was primarily on account of purchase of property, plant and equipment including capital work in progress and pre-operative expenses of ₹ 3,041.61 lakhs which was offset by proceeds received from sales of Property, Plant and equipment of ₹ 1.88 lakhs and further offset by changes in non- current assets of ₹ 1,548.30 lakhs.

Financial year 2020-21
Net cash used in investing activities was ₹ 3,858.36 lakhs for the financial year 2020-21. This was primarily on account of purchase of property, plant and equipment including capital work in progress and pre-operative expenses of ₹ 6,273.93 lakhs and Adjustment of revaluation reserves of ₹ 89.75 lakhs which was offset by proceeds received from sales of Property, Plant and equipment of ₹ 200.08 lakhs and further offset by changes in non- current assets of ₹ 2305.25 lakhs.

Financing Activities

Six months period ended September 30, 2022
There was a decrease in net cashflow from financing activities to negative ₹ 1,399.81 lakhs for the period ended September 30, 2022 from ₹ 1,077.69 lakhs for the period ended September 30, 2021. This decrease was due to repayment of long-term borrowing of ₹ 200.14 lakhs, short-term borrowings of ₹ 48.40 lakhs, interest and finance cost paid to ₹ 1,051.19 lakhs and dividend paid to shareholders (including tax on dividend) of ₹ 99.53 lakhs.

Financial year 2021-22
Net cash generated from financing activities for the financial year 2021-22 was ₹ 2,055.52 lakhs. This was on account of issue of share of ₹ 17.56 lakhs along with Securities Premium of ₹ 72.87 lakhs and increase in short term borrowings of ₹ 4,998.84 lakhs. This was partially offset by repayment of long term borrowing

of ₹ 903.39 lakhs along with repayment of interest and finance cost of ₹ 2,030.84 lakhs and dividend paid to shareholders including dividend tax paid of ₹ 99.51 lakhs.

Financial year 2020-21

Net cash used in financing activities for the financial year 2020-21 was ₹ 3,760.14 lakhs. This was on account of repayment of long term borrowing of ₹ 4,363.56 lakhs, Short term borrowings of ₹ 466.15 lakhs along with repayment of interest and finance cost of ₹ 1,241.90 lakhs and dividend paid to shareholders including dividend tax paid of ₹ 86.53 lakhs. This was partially offset by proceeds from issue of share and securities premium received of ₹ 480.31 lakhs and ₹ 1,917.68 lakhs respectively.

Any negative cash flows in the future could adversely affect our results of operations and financial condition. For further details, see *"Management's Discussion and Analysis of our Financial Condition and Results of Operations –Cash Flows*" on page 212.

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

We are engaged in the business of manufacturing decorative laminates, MDF board and PVC foam board under our brand names "VIR Laminates", "VIR MDF", "VIR PVC", "VIR PROPLUS", "VIR MAXPRO", "VIR PRELAM", and others. Our brand name and reputation is linked to the quality of our products and to our ability to understand the changing needs and demands of the end-use customers. Our products have varied applications and are majorly used in the residential and industrial sector for designing and manufacturing furniture, doors, cupboards, balconies, etc. Since our products form a key raw material in designing furnishings in the industrial and residential sector, we are expected to be aware of the changing market trends and the customer preferences. We are highly dependent on our intermediaries in the distribution networks, who have one on one contact with the end-use customers and are aware of the nature of the demand and preferences prevalent in the market. A significant feature of the laminate industry is the rapidly changing customer preferences and therefore, results of our operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in lines with the changes in market trends as well as customer demands and preferences. If we are unable to respond to the changing customer preferences or in the event our design team is unable to upgrade our products periodically as per the prevalent market trends, or if we are unable to adapt to such changes by launching new products as per the demand, we may significantly lose our market position and existing customer base which may adversely affect our results of operations and financial condition. Further, in order for our Company to remain competitive in respect of appealing designs, our Company procures laminates which are in line with the latest global trends and customer demands and more importantly understand the requirements of the customers. Further, we cannot assure you that our current product portfolio and any products we launch, will be well received by our distribution intermediaries and end use customers, or that we will be able to recover costs we incurred in procurement and manufacturing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected. While the aforementioned events have not materially occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

Maintaining and enhancing our brand recognition and reputation is critical to our business and the competitiveness of our products. Many factors, some of which are beyond our control, are important for maintaining and enhancing our products, including maintaining or improving customer satisfaction and increasing the popularity of our products. In particular, we launch new products, and if any of those products do not meet standards for quality or customers' expectations, our market standing, reputation and the sales of our products may have an impact. If we fail to maintain our reputation, or increase the market for our products, or the quality of our products declines, our business and prospects may be adversely affected.

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

We do not deal with our end use customers directly and are dependent on our intermediaries in the distribution network to sell our products and transfer us the proceeds of the sale. As per the formal contracts entered into by us with our intermediaries, the sale proceeds received by our intermediaries from selling our products shall remain vested in our Company and no one else. Further, on sales being effected the proceeds thereof shall immediately vest in our Company and remain in trust with our intermediaries until they are remitted or paid to us. Since, the sale proceeds of our products are channeled from our intermediaries, we are exposed to payment delays and/or defaults of payments and our financial position. Such delays in payments may require our Company to make a working capital investment. It can also be the case that our end use customers may cause a delay in making payments to our intermediaries or altogether fail to make the payments due. We cannot assure you that payments from all or any of our intermediaries will be received in a timely manner or to that extent will be received at all. If any of our intermediaries default in making its payments, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. For the six month period ended September 30, 2022 and the Fiscal ending March 31, 2022 and March 31, 2021, our trade receivables were ₹ 10,254.35 lakhs, ₹ 8,494.68 lakhs and ₹ 5,990.88 lakhs, respectively, out of which, debts amounting to ₹ 621.52 lakhs, ₹ 439.87 lakhs and ₹ 611.87 lakhs were outstanding for a period exceeding six months from the due date. In the event, we do not receive payments from our intermediaries in a timely manner or do not receive the payment due to us at all we may have to take legal action against them which would divert the attention of our management from the core matters of our Company. Further, such litigations can be time consuming and costly and we cannot assure you that the result of such litigations would always be in our favor.

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

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

We have experienced considerable growth and we have expanded our operations and product portfolio. Our Company has recently set up a manufacturing unit in Andhra Pradesh for manufacturing thin and thick MDF, which is a variant of MDF and is proposing to set up a new manufacturing unit in Gujarat for manufacturing jumbo-sized decorative laminates. Our revenue from operations grew at a rate of 86.07% between Fiscals 2021 and 2022, while our profit after tax grew at a rate of 66.24% between Fiscals 2021 and 2022. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate.

We cannot assure you that we would be able to successfully implement our growth plans and strategies for our new manufacturing unit or that we will not face delays in our plans. Further, we also cannot assure you that our recently introduced products such as, thin and thick MDF board at Andhra Pradesh and the products which are proposed to be introduced, namely jumbo-size decorative laminates in Gujarat, would bring the desired result or would be accepted by our customers as our existing products. In the event, our new line of product is unable to bode well with the customers or if the we are unable to justify the quality of our new products, it may have an adverse effect on our competitiveness, business operations and revenue.

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

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

Our business requires a significant amount of working capital, which is based on certain assumptions, and accordingly, any change of such assumptions would result in changes to our working capital requirements.

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

Further, one of the objects of this Issue include funding of working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see "*Objects of the Issue*" on page 67. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

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

Summary of our working capital position as on September 30, 2022, March 31, 2022 and March 31, 2021 is given below:

(₹ in lakhs)

Particulars	**Six-month period ended September 30, 2022**	**March 31, 2022**	**March 31, 2021**
Current Assets			
Trade receivables	10,027.90	8,255.92	5,753.65
Other current assets	2,624.52	3,256.95	3,906.82
Inventories	18,302.65	15,542.36	8,427.23
Cash and cash equivalents	624.84	609.97	1,163.33
Total (I)	**31,579.91**	**27,665.20**	**19,251.03**
Current Liabilities			
Trade payables	9,465.24	8,789.68	7,984.47
Other current liabilities*	3,506.84	3,045.42	1,494.58
Other Financial Liabilities	13,296.04	13,325.52	8,328.13
Total (II)	**26,268.12**	**25,160.62**	**17,807.18**
Net Working capital requirement	**5,311.79**	**2,504.58**	**1,443.85**
Means of Finance (Existing Funding Pattern)			
Internal Accruals / Equity	5,311.79	2,504.58	1,443.85
Current Borrowings (other than current maturities from long-term borrowings)	-	-	-
Total (IV)	**5,311.79**	**2,504.58**	**1,443.85**

**Does not include creditors for capital goods.*

Our working capital requirements and growth strategy thus require continued access to significant amounts of funds on acceptable terms. We cannot assure you that market conditions and other factors will permit future project and acquisition financings, debt or equity, on terms acceptable to us or at all. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of current projects and laws that are conducive to our raising capital in this manner. Our attempts to consummate future financings may not be successful or be on terms favourable to us or at all. In addition, our ability to raise funds, either through equity or debt, is limited by certain restrictions imposed under Indian law. Further, if the demand for, or supply of our products at attractive rates or terms were to diminish or cease to exist, our business, prospects, financial condition and results of operation could be adversely affected.

18. ***The decrease in or removal of government incentives available under Industrial Development Policy – 2015-2020 may have a material adverse effect on our profitability.***

Our Company has been deriving various incentives under the *erstwhile* Industrial Development Policy – 2015-2020 (the "**Policy**") issued by the Government of Andhra Pradesh and the order dated March 13, 2017 bearing number G.O.MS. No. 42 ("**2017 Order**"), read with the order dated September 15, 2022 bearing number G.O.MS. No. 69 ("**2022 Order**"). The Government of Andhra Pradesh has *vide* the 2022 Order, extended various incentives to our Company under the *erstwhile* Industrial Development Policy – 2015-2020, owing to our eligibility to claim benefits under the mega category as notified by the Government of Andhra Pradesh in the 2017 Order, on the condition that we complete the pre-decided investment limit for our thin and thick MDF manufacturing unit situated in Andhra Pradesh by September 2022. Since, our Company fulfilled the condition mentioned in the 2022 Order and completed the investment in our manufacturing unit by September 2022, our Company has qualified the mega category and will accordingly derive benefits under the Policy. While our Company is yet to receive benefits under the Policy, however, the available benefits include *inter alia* reimbursement of SGST, fixed power cost reimbursement, reimbursement of 25% cost incurred towards capital expenditure, etc. There can be no assurance that our Company will receive or continue to receive these incentives under the Policy, the 2017 Order and the 2022 Order in the future. The non-availability of these incentives could adversely affect our financial condition and results of operations. Any new taxes/ changes in existing applicable policies by the Government of India or other State Governments may have a material adverse effect on our business, financial condition and results of operations.

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

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Further, our manufacturing unit in Andhra Pradesh operates primarily using German technology and the machineries, which have been installed in this manufacturing unit, have been imported from Germany, in view of the specialized product which is manufactured. In the event, the technology systems installed in our manufacturing unit do not provide the desired results or faces certain shortcomings, we may face losses to the extent of the investments in technology made in the said manufacturing unit. The machineries and the technology installed in the said manufacturing unit have been taken on credit and if the machineries and technology face shortcomings, we will still be liable to pay the principal amount along with the interest due to our lenders. On the occurrence of such events, our Company may face cash crunch to repay the amount lent. Further, there was an instance in the past, wherein due to heavy rains, preventive maintenance activities and replacement of some of the parts of the plant, we had to shut down our Medium Density Fibre Board Manufacturing Unit (MDF Plant) at Chikmagalur for a period of 55 days. Occurrence of any future events which require us to shut down our manufacturing units, could adversely affect our business and results of operations.

Our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. While, the aforementioned events have not been materially occurred, future occurrence of any such events, could impact our business operations and results of operations.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. For instance, our Company is in the process of implementing SAP S4 HANA & WEB APPLICATION for accounting and MIS purpose, any failure to successfully adopt and implement such technologies in a cost-effective manner could increase our costs. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

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

As on the date of this Draft Letter of Offer, our Corporate Office, our manufacturing unit situated at Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat and some of our warehouses and godowns have been taken on lease as well as on leave and license basis by our Company from related parties or third parties, details of which are provided below:

Sr. no.	Details of the Deed/Agreement	Particulars of the property	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Leave and License Agreement dated March 29, 2022 executed between Krupesh Ghanshyambhai Thakkar ("**Licensor**") and our Company ("**Licensee**").	Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad- 380 058, Gujarat, India.	₹ 12,60,000 per month	A period of 11 months 29 days, commencing from March 30, 2022	Corporate Office
2.	Leave and License Agreement March 29, 2022 executed between Rushil Thakkar ("**Licensor**") and our Company ("**Licensee**").	Land situated at Village Dholakuva, Tal. Mansa, Dist. Gandhinagar having R.S. No. 171 measuring 1214 Sq. Mtr.	₹ 47,250 per month	A period of 11 months 29 days, commencing from March 30, 2022	Warehouse for storing finished goods.
3.	Leave and License Agreement dated March 29, 2022 executed between M/s Ratnatej Infrastructure Private Limited ("**Licensor**") and our Company ("**Licensee**").	Plot number 607, GIDC, Mansa district, Gandhinagar- 382 845, Gujarat, India	₹ 10,500 per month	A period of 11 months 29 days, commencing from March 30, 2022	Manufacture unit for manufacturing decorative laminate sheets
4.	Rental Agreement dated May 13, 2022 executed	Survey No. 258/1A and 258/2, T.Begur Village, Kasaba Hobli, Nelamangala	₹ 2,64,978 per month and an interest free security	A period of 11 months commencing	Godown

Sr. no.	Details of the Deed/Agreement	Particulars of the property	Consideration/ License Fee/Rent	Tenure/ Term	Usage
	between Shekar Engineering Works Private Limited ("**Landlord**") and our Company ("**Tenant**").	Taluk, Bangalore Rural District	deposit of ₹ 7,94,934	from May 21, 2022	
5.	Leave and License Agreement dated August 10, 2022 executed between Javel Ali Qureshi and Sajid Ali Qureshi ("**Licensor**") and our Company ("**Licensee**").	Ground and First Floor, D.No. 11-1-103, Aghapura, Near Zakir Hussain Community Hall, Hyderabad-500 001, Telangana, India.	₹ 76,000 per month and an interest free security deposit of ₹ 76,000	A period of 11 months commencing from August 1, 2022	Godown
6.	Rent Agreement dated July 25, 2022 executed between Krishna Arora ("**Owner**") and our Company ("**Tenant**").	Commercial Office Space number DSM-152, First Floor, DLF Tower, Shivaji Marg, Moti Nagar, New Delhi-110 015, India.	₹ 65,000 per month along with an interest free refundable security deposit of ₹ 1,95,000	A period of 36 months commencing from August 1, 2022	Warehouse
7.	Leave and License Agreement dated June 15, 2021 executed between Pristine Realtors Private Limited ("**Licensor**") and our Company ("**Licensee**").	Shree Krishna Square, 2A Grant Lane, 2nd Floor, Room No. 2F, Kolkata-700 012, India.	₹ 38,500 per month along with an interest free refundable security deposit of ₹ 77,000	A period of 11 months commencing from July 1, 2021^	Warehouse
8.	Leave and License Agreement dated September 17, 2022 executed between Amarjit Singh and Amrit Kaur ("**Licensors**") and our Company ("**Licensee**").	7 & 8, Vasavi Towers, Premises No. 1-1-40/1, (Old No.83), Sarojini Devi Road, Secundrabad – 500 003, Hyderabad, India.	₹ 32,000 per month	A period of 11 months commencing from September 15, 2022	Warehouse
9.	Leave and License Agreement dated April 1, 2022 executed between Chiu Hsueh Yin Chung ("**Licensor**") and our Company ("**Licensee**").	29 A, Mateswar Tala Road, Kolkata 700 046, India.	₹ 82,687 per month and an interest free security deposit of ₹ 2,00,000	A period of 11 months commencing from January 1, 2022*	Godown
10.	Rent Agreement dated July 15, 2019 executed between Mohammed Iqbal ("**Owner**") and our Company ("**Tenant**").	Chikkamagalur Coofee Curing, Survey No. 24 and 26 of Dantaramakki Village at bypass Road, Kalyananagar, Chikkamagaluru – 577 101, India.	₹ 1,08,000 per month and an interest free security deposit of ₹ 11,00,000	A period of 11 months commencing from July 15, 2019*	Godown

^*The tenure of the agreement has been extended with mutual consent of the parties, vide a letter dated May 15, 2022, in accordance with the leave and license agreement.*
**Our Company is in the process of renewing the agreement.*

Further, we are in the process of renewing the rent agreements executed for one of our godowns situated at Kolkata and Chikkamagalur. There can be no assurance that our Company will be able to renew the said rent agreements. In the event, we fail to renew the said agreements, we may have to vacate the premises and shift our godown to another premises, which may be time consuming and costly. We also cannot assure you that we will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there can be no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and license, rent and lease agreements will not be terminated prematurely by the licensor/lessor. While the aforementioned events have not occurred in the past, however any such non-renewal or early termination or any disruption of our rights as lessee / licensee will adversely affect our business operations.

21. ***Certain records of our Company are not traceable.***

Our Company is unable to trace the lease deed entered into by our Company with Hira Hylam Private Limited for the land situated at Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat. We are unable to trace the relevant documents for the transmissions and transfer of Equity Shares done by our Promoters before the listing of our Equity Shares on the Stock Exchanges. Accordingly, we have relied on the confirmations, other documents, including submissions made to the Stock Exchanges, annual returns, directors' report, the statutory register of members of the Company, minutes of the meetings of the Board of Directors and Shareholders while making the relevant disclosures. We cannot assure you that these records will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

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

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our manufacturing units, some of which are granted for a fixed period of time and need to be renewed from time to time. As of date of this Draft Letter of Offer, our Company has made applications to (i) the Director General, State Disaster Responses & Fire Services, Andhra Pradesh for renewal of the no-objection certificate for fire and safety for our manufacturing unit situated at Atchutapuram, Vishakhapatnam; and (ii) the Karnataka State Pollution Control Board for renewal of authorisation issued under Hazardous and Other Wastes (Management and Transboundary) Rules, 2016. Further, our Company is in the process of acquiring a land to set up our proposed manufacturing unit for manufacturing jumbo-sized decorative laminates. Once our Company acquires the land for the proposed unit, we would be required to obtain certain licenses and approvals from state and local authorities for setting up the said unit, for which we will make applications during the course of time. We cannot assure you that the relevant authorities will approve and provide us with such licenses, approvals and registrations for our new manufacturing unit or will renew such licenses, approvals and registrations, or if renewed would do so in a timely manner. There have been instances in the past, where the statutory authorities have taken legal actions against us for non - renewal or not availing certain licenses and approvals. However, as of date of this Draft Letter of Offer, there are no pending proceedings, which have been initiated against us by the statutory authorities. We cannot assure you that in the near future there will not be any legal actions taken against us for the same. Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may adversely affect our business.

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

Our Company has created a brand presence with our major brands "VIR Laminates", "VIR MDF", "VIR PVC", "SIGNOR", "VIR PROPLUS", "VIR MAXPRO", "VIR PRELAM", and others. Our Company's success largely depends on our brand name and brand image, therefore we have trademarked our brand names and their logos differentiating our Company's products from that of our competitors. We deal under other brand names as well, which have also been trademarked by us to maintain a distinction and differentiation for our products and brands. Our current trademark and logo RUSHIL, is owned by our Company under the provisions of the Trademarks Act, 1999. Our trademarks may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. Further, we have filed opposition against five trademark applications made by third parties, on account of the trademarks applied for being similar to that of our registered trademarks. All such actions are presently pending before the Registrar of Trademarks.

We have applied for, but not yet obtained registration with respect to certain trademarks. We cannot guarantee that eventually our trademark application will be approved or that third parties will not seek to oppose or otherwise challenge these applications. We are therefore exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. As a result, we may not be able to prevent infringement of our applied trademarks and a passing off action may not provide sufficient protection until such time that the registration is granted. Further, we have also entered into an agreement dated November 13, 2017 with Vir Studdio Private Limited (One Person Company) for the use of their trademark and brand name "Vir Studdio" on the payment of an annual royalty of ₹ 01 lakh per annum. The agreement is renewable on a year-on-year basis unless either of the parties terminates it. In the event, Vir Studdio Private Limited terminates the agreement or restricts our right to use the trademarks, our Company could face significant monetary loss or we could be prevented from selling our products under the said brand.

Further, we believe that there may be other companies or vendors which operate in the unorganized segment using our tradename or brand names. We have also filed opposition against five trademark applications made by third parties, on account of the trademarks applied for being similar to that of our registered trademarks. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

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

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

Three of our manufacturing units are located in Gujarat, one manufacturing unit is located Karnataka and one manufacturing unit is located in Andhra Pradesh. Further, we are in the process of setting up an additional manufacturing unit for jumbo-size decorative laminated in Gujarat. To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing units or warehouses and transportation of our products from our units or warehouses to our distributors, dealers, consignment agents etc., which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our distribution intermediaries. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our distribution intermediaries and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our distribution intermediaries in a timely, efficient and reliable manner could adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long-term agreements with our transporters for any of our manufacturing units and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfil their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not able to prosecute the agencies due to lack of formal agreements. While such events have occurred in the past, however, we have availed industry all risk policy and marine insurance policy in order to protect ourselves from such risks and losses. We have in the past, applied for claims for recovering our losses through our insurance policies and our previous claims have also been successful, however, we cannot assure you that we will be able to receive a claim from these policies in the future. There many also be events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition. While the aforementioned events have occurred in the past, however such events did not have any material effect on our business operations, we cannot assure you that a future occurrence of any of these events will not materially affect our financial condition, results of operations and prospects.

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

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

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

All our manufacturing units have significant electricity requirements and any interruption in power supply may temporarily disrupt our operations. Our manufacturing units situated in Gujarat received power supply from Uttar Gujarat Vij Company Limited, our manufacturing units situated in Karnataka receive power supply from Mangalore Electricity Supply Company (MESC) and Manikaran Power Limited and lastly, for our manufacturing unit in Andhra Pradesh we receive power supply from Manikaran Power Limited and Eastern Power Distribution Company of AP Limited. For further details, please refer to the chapter titled "*Our Business- Utilities, Infrastructure & Logistics*" on page 97 of this Draft Letter of Offer.

Since, we have a high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. Further, we are also exposed to the risks of power disruption due to insufficient power supply in our manufacturing units or due to calamities and other force majeure causes, which could force us to halt our manufacturing processes until such disruption exists. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. There have been instances in the past, wherein our Company had to find alternative electricity suppliers due to hike in prices for our manufacturing units, which strained our resources and was time consuming in nature.

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

Our Company seeks to grow its market reach domestically to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the changing customers' taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

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

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

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations, as well as requirements under the Companies Act for a listed Company. During the preceding one year from the date of filing of this Draft Letter of Offer, there have been no defaults in complying with the applicable provisions of SEBI Listing Regulations and accordingly, our Company has filed this Draft Letter of Offer under Part B of Schedule VI of SEBI ICDR Regulations. However, our Company has received an email dated December 21, 2022 from BSE seeking clarification in respect of delay in reporting the resignation of our *erstwhile* Independent Director, namely, Archee Darshanbhai Thakkar. Our Company *vide* its letter dated December 22, 2022 has replied to the email stating that the *erstwhile* Independent Director had delivered her resignation letter after close of business hours on August 27, 2022 (Saturday), and since the next day was a holiday, the intimation was filed on August 29, 2022 (Monday). Our Company has not received any further communication in this regard from BSE.

Our Company endeavours to comply with all applicable obligations/reporting requirements, however, upon occurrence of any future instances of non-disclosures/delayed/erroneous disclosures and/or any other violations by us, our Company may be exposed to imposition of penalties, warnings and show cause notices being against us by SEBI and Stock Exchanges. For instance, BSE Limited *vide* an email dated May 24, 2021, had imposed a fine of ₹ 4.20 lakhs plus applicable taxes on our Company for causing a delay of twenty-one days from the date of allotment, in approaching BSE for seeking listing approval for 2,53,760 partly-paid up rights equity shares issued pursuant to the 2020 Rights Issue. Our Company made payment of ₹ 4.20 lakhs, plus applicable taxes on May 29, 2021. Any future adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

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

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

Further, we are in the process of setting up a manufacturing unit for jumbo-sized decorative laminates, to primarily cater to the demand of custom-sized or jumbo-sized laminates in the international markets. Our Company will also be venturing into new markets and will be forming new distribution networks. In view of the same we will also be competing with potential competitors in new and unexplored markets. Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition.

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

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

Periods of slowdown in the economic growth of India has significantly affected the real estate sector in the recent past. Any further downturn in the real estate industry and/or changes in governmental policies affecting the growth of this sector may have an adverse effect on the demand for plywood, laminates and other infrastructure products and the results of our operations.

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

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoter, Krupa Krupesh Thakkar holds the position of Senior Vice President - Business Development and Rushvi Rushil Thakkar, the spouse of our Whole-time Director Rushil Krupesh Thakkar holds the position of Senior Vice President – Administration and Human Resources in our Company. Further, Harsh R. Patel and Amee R Patel, relatives of our Whole-time Director, Ramanik Tejabhai Kansagara are also in employment of our Company. Therefore, the aforementioned persons may be deemed to be interested in any remuneration which may be payable to them in such capacity. Further, our Independent Director, Kantilal Ambalal Puj may be deemed to be interested to the extent of consultation fee paid to Puj Associates by our Company, wherein his relatives hold ownership positions. Our Promoters, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to "*Financial Information*" on page 104 of this Draft Letter of Offer.

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

32. ***Our Promoters and members of our Promoter Group have extended personal guarantees and have provided their property and shares as collateral security for loan facilities availed by our Company. Revocation of any or all of these personal guarantees or withdrawal of such property may adversely affect our business operations and financial condition.***

Our Promoters, Krupesh Ghanshyambhai Thakkar and Krupa Krupesh Thakkar, and members of our Promoter Group, Dinuben Ghanshyambhai Thakkar and Rushil Krupesh Thakkar have extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them. Further, Dinuben Ghanshyambhai Thakkar and Krupesh Ghanshyambhai Thakkar have also provided certain of their personal properties as collateral security for certain loans availed by our Company. Our Promoter and Managing Director, Krupesh Ghanshyambhai Thakkar has also pledged 9.98% of his shareholding amounting to 19,85,925 Equity Shares for the loan availed from Bank of Baroda. The details of loans in which personal guarantee has been extended by our Promoters and members of our Promoter Group on behalf of our Company, have been provided below:

S. No.	Name of the lender	Name of the Promoter	Name of the facility	Amount of personal guarantee provided as at September 30, 2022 (₹ in lakhs)
1	Bank of Baroda	Krupesh Ghanshyambhai Thakkar	Over-all fund based and non-fund based limits	30,157^
		Rushil Krupesh Thakkar		30,157^
		Dinuben Ghanshyambhai Thakkar		773^
2	Yes Bank Limited	Krupesh Ghanshyambhai Thakkar	Loan against property	666.52
		Krupa Krupesh Thakkar		666.52
3	Bayerische Landesbank	Krupesh Ghanshyambhai Thakkar	ECA Finance against German machinery	4,592.36
4	Landesbank Baden-Württemberg	Krupesh Ghanshyambhai Thakkar	ECA Finance against German machinery	4,592.36

^Amount of the personal guarantee extended as of date of the sanction.

In the event any of these guarantees are revoked or the properties and shares provided as a security are withdrawn, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations.

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

After the completion of the Issue, our Promoters and the members of the Promoter Group will hold approximately [•]% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. Our Promoters and the members of the Promoter Group holding Equity

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

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

The details of our contingent liabilities are as follows:

(₹ in lakhs)

Particulars	As on September 30, 2022	As on March 31, 2022	As on March 31, 2021
Contingent Liabilities:			
Claims against the company not acknowledged as debts comprise of			
i) In respect of disputed Excise Demand matter under appeal	72.12	72.12	72.12
ii) In respect of disputed Custom Duty matter under appeal	27.56	27.56	27.56
iii) In respect of disputed Sales Tax/VAT matter under appeal	0.00	0.00	15.81
Letters of Credit opened with Banks	233.01	157.93	88.70
Bank Gurantees for performance	685.98	685.98	953.13
Total Contingent Liabilities	**1,018.67**	**943.59**	**1,157.31**
Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	0.00	874.76	724.85
Future export obligations/commitments under import of Capital Goods at Concessional rate of customs duty	12,471.42	18,627.67	20,336.63
Total Commitments	**12,471.42**	**19,502.43**	**21,061.48**

For further details of contingent liability, see the section titled — "*Financial Information*" on page 104 of this Draft Letter of Offer. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

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

As of September 30, 2022, March 31, 2022 and March 31, 2021, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group, relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the section titled "*Financial Information*" on page 104.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

36. ***Our Promoters are associated with entities, which have their main objects similar to that of ours which may be a potential source of conflict for us.***

Our Promoters are associated with entities, namely, Ghanshyam Forwarder Private Limited, Vir Studdio Private Limited (OPC), Surya Panel Private Limited, R Surya Panel Private Limited, Deco Ply Agency and

Vir Decorative Sheets Private Limited have main objects or are engaged in business similar to that of our Company and may carry out business activities which are similar to that of ours. This may be a potential source of conflict for us and may adversely affect our operations. As on date of this Draft Letter of Offer, we have not entered into a non-compete agreement with any of the said companies. There is no assurance that a conflict of interest may not occur between our business and the business of our such in the future, or that we will be able to take adequate measures to address such conflict or that we will be able to suitably resolve such a conflict without an adverse effect on our business or operations.

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

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

Further, some of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition.

It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

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

As on September 30, 2022 our Company's total secure fund based indebtedness is ₹ 36,003.57 lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

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

As on September 30, 2022, our Company has outstanding unsecured loans aggregating to ₹ 5,710.05 lakhs, which have been extended by our Promoters, members of our promoter group and financial institutions and may be recalled by them at any time. In the event, any of such lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake our operation and expansion plans. Therefore, any such demand may adversely affect our business, financial condition and results of operations.

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

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

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

Our Company depends on the management skills and guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our Directors have been associated with our Company since inception and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. The attrition rate for the six month period ended September 30, 2022 and for the Financial Years 2022 and 2021 was 11.11%, 33.33% and Nil, respectively, however, no impact has been noticed on the business and operations of our Company. Though the attrition rate is low and no impact has been observed on the business and operations of our Company, however we cannot assure you that we will be able to retain the services of our Directors, Promoters and other Key Managerial Personnel in the future or that our inability to retain will not have any adverse impact on our business operations.

There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — "*Our Management and Organisational Structure*" on page 101 of this Draft Letter of Offer.

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

Our Company is engaged in the business of manufacturing decorative laminates, MDF board and PVC foam board wherein kraft paper, base paper, eucalyptus and other agro-forestry wood, and other synthetic resin are used as a key raw material. Due to the use of wood based products, our manufacturing activities are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, Saw Mill Rules, the State Forest Policy, State Pollution Control Board and Central Empowered Committee. These include laws and regulations about cutting of trees, discharge of effluents, polluted emissions, hazardous substances etc.

There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. There have been instances in the past, where our Company had received notices from Gujarat Pollution Control Board to halt the business operations in some of our manufacturing units situated in Gujarat due to non-adherence of rules and regulations governing our manufacturing unit. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing units due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations.

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

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

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

Our operations are significantly dependent on access to a large pool of contract laborers for operation of our manufacturing unit. The number of contract labourers employed by us varies from time to time based on the nature and extent of work in which we are involved. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract laborers during peak periods. Further, our manufacturing unit and our proposed manufacturing unit are surrounded by a number of industries, which may create a demand-supply gap in the labour industry which may impact our business operations. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects. In the event, we are unable to source adequate numbers of unskilled laborers for our manufacturing units or if we are exposed to an increased expense due to the surge in the wages of unskilled laborers, we cannot assure you that it will not impact our business operations and financial condition. Due to the increase in the wages charged by the laborers, we may have to increase the cost of our product which would directly impact our distribution intermediaries and our end use customers.

We believe our employees and unskilled labour employed in our manufacturing unit are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations.

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

44. ***Our operations can be adversely affected in case of industrial accidents at our manufacturing unit. Further, our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability***

Our manufacturing process requires the use of heavy machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. There have been instances in the past, where fatal accidents have occurred in our manufacturing units, which have led to the death of some of our employees and have left some of our employees injured. However, we cannot assure you that such instances would not happen in the future, leading to death or disablement of our employees. Although, we have availed industry all risk policy, fire policy, fire floater policy, burglary floater policy, marine insurance policy, office package policy, corporate general liability policy, directors' and officers' liability, workmen compensation policy, group personal accident insurance policy, group health insurance policy and public industrial liability policy, we cannot assure you that we will be able to receive a claim from these policies, failing which we will have to provide the compensation to the employees from our own resources. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

Our Company has adopted adequate safety measures, however we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

45. ***Our key raw material used in our manufacturing process is highly flammable in nature, any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc.***

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

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

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

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also.

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

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. While, no incidents of pilferage, misappropriation of cash and inventory or any cases of theft, robbery, employee fraud, *etc*. have not been reported, any such instances in the future may lead to an increase in product losses and may also require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

49. ***Our Company is in the process of refunding an excess amount of funds amounting to ₹ 0.92 lakhs received from the applicants in the 2020 Rights Issue towards payment of calls.***

Our Company had issued 49,77,111 partly-paid up equity shares of Face Value ₹ 10 during the 2020 Rights Issue. The payment towards subscription of equity shares in the 2020 Rights Issue was required to be made at the application stage and two subsequent calls which were made by our Company. The entire process involved in the 2020 Rights Issue culminated in the year 2022. Our Company received an excess amount of funds amounting to ₹ 0.92 lakhs from the applicants in the 2020 Rights Issue towards payment of calls. Our Company is in the process of refunding the said amount to the applicants.

50. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Objects of the Issue*" on page 67.

51. ***We have not commissioned an industry report for the disclosures made in the chapter titled "Industry" and made disclosures on the basis of the data available on the internet.***

We have not commissioned an industry report, for the disclosures which need to be made in the chapter titled "*Industry*" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online. The industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context

ISSUE SPECIFIC RISKS

52. ***We will not distribute the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circular our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

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

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circular dated January 22, 2020 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 229.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned / reversed / failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

54. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For details, please refer chapter *"Terms of the Issue"* on page 229.

55. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 229.

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

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

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

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

58. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

59. ***Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

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

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

61. ***The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.***

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

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

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

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

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

64. ***Investors will not have the option of getting the allotment of Equity Shares in physical form.***

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see *"Terms of the Issue"* on page 229. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

65. ***There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchanges.***

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

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

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

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

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

EXTERNAL RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the insurance industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of price points of various input costs and thereby increase our operational cost.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Furthermore, the Government of India announced the Union Budget for Fiscal 2022 ("**Budget 2022**"), pursuant to which the Finance Bill 2022 (defined below) has proposed various amendments which will only come into effect upon receipt of Presidential assent to the bill and notification in requisite acts. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

There can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations in connection with GST. While we are and will comply with the GST rules and regulations, any failure to comply with the same may result in noncompliance with the GST and may adversely affect our business and results of operations. The GoI announced the union budget for fiscal year 2023, following which the Finance Bill, 2022 was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill 2022 received the assent from the President of India on March 30, 2022, and became the Finance Act, 2022 ("**Finance Act 2022**"). We cannot predict whether the amendments made and yet to be notified pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Any changes in the Finance Act 2022 or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws that are applicable to our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Changes in other laws may impose additional requirements, resulting in additional expenditure and time cost. For instance, the GoI has announced four labour codes which are yet to come into force as on the date of this Draft Letter of Offer, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been announced, we are unable to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements, such as "gig workers" and "platform workers" and provides for the mandatory registration of such workers in order to enable these workers to avail themselves of various employment benefits, such as life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

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

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

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

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

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

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

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

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

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

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on August 6, 2022 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "*Terms of the Issue*" on page 229 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto [●] Equity Shares
Rights Entitlement	Upto [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹ 10/-
Issue Price per Rights Equity Shares	₹ [●]/-
Issue Size	Upto [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share aggregating to an amount of up to ₹ 12,420 lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank *pari pasu* in all respects with the Equity Shares of our Company.
Equity Shares issued and subscribed and are outstanding prior to the Issue	1,99,08,443 Equity Shares
Equity Shares paid-up and outstanding prior to the Issue[(1)]	1,99,06,261 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	₹ [●]
Scrip Details	**ISIN:** INE573K01017 **BSE:** 533470 **NSE:** RUSHIL
Use of Issue Proceeds	For details please refer to the chapter titled "*Objects of the Issue*" on page 67 of this Draft Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled "*Terms of the Issue*" on page 229 of this Draft Letter of Offer.

[(1)] Pursuant to a resolution passed by the Board of Directors in their meeting dated June 13, 2022, the Board approved forfeiture of 2,182 Equity Shares amounting to ₹39,137.50, due to non-payment of calls in the 2020 Rights Issue. Accordingly, the Equity Shares paid-up and outstanding prior to the Issue aggregated to 1,99,06,261 Equity Shares.

Please refer to the chapter titled "*Terms of the Issue*" on page 229 of this Draft Letter of Offer.

Issue Schedule

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

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

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

GENERAL INFORMATION

Our Company was incorporated as '*Rushil Decor Private Limited*' on May 24, 1993 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated November 19, 2007 our Company was converted into a public limited company and subsequently, the name of our Company was changed to '*Rushil Decor Limited'* and a fresh certificate of incorporation dated December 04, 2007 consequent to the conversion was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The corporate identification number of our Company is L25209GJ1993PLC019532.

Registered Office of our Company

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

Corporate Office of our Company

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

Registrar of Companies

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

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

Board of Directors of our Company

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

Name	Designation	DIN	Address
Krupesh Ghanshyambhai Thakkar	Chairman and Managing Director	01059666	18, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India
Rushil Krupesh Thakkar	Whole-time Director	06432117	18, Pushpdhanwa Bunglows, Opposite Taxshila Flats, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India
Ramaniklal Tejabhai Kansagara	Whole-time Director	08341541	F-204, Mangalmurti Apartment, Near Siddhivinayak Bunglows, Pethapur, Gandhinagar – 382 610, Gujarat, India.
Shankar Prasad Bhagat	Independent Director	01359807	A-9, Sharin Park, Bodakdev Ahmedabad-380 054, Gujarat, India.

Name	Designation	DIN	Address
Kantilal Ambalal Puj	Independent Director	09273355	2, Neetibaug Judges Co Op Housing Society, Off S G Highway, Opp. Gujarat High Court, Sola, Ahmedabad -380 060, Gujarat, India
Shreyaben Milankumar Shah	Independent (Additional) Director	09726000	20/9, 8, Dharmottam Bunglows, Reliance Petrol Pump, Prahladnagar, Ahmedabad – 380 015, Gujarat, India

For further details, please refer to the chapter titled "*Our Management and Organisational Structure*" on page 101 of the Draft Letter of Offer.

Chief Financial Officer

Hiren Bachubhai Padhya, Chief Financial Officer of our Company. His contact details are set forth hereunder.

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

Company Secretary and Compliance Officer

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

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

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

Lead Manager to the Issue

Saffron Capital Advisors Private Limited
605, Center Point, 6th floor,
Andheri Kurla Road, J. B. Nagar,
Andheri (East), Mumbai - 400 059,
Maharashtra, India.
Telephone: +91 22 4973 0394
E-mail: rights.issue@saffronadvisor.com
Website: www.saffronadvisor.com
Investor grievance: investorgrievance@saffronadvisor.com
Contact Person: Gaurav Khandelwal/ Vipin Gupta
SEBI Registration Number: INM 000011211
Validity of Registration: Permanent

Registrar to the Issue

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai-400 093,
Maharashtra, India.
Telephone: +91 22 6263 8200/22
E-mail: rightsissue@bigshareonline.com
Website: www.bigshareonline.com
Contact person: Vijay Surana

Investor grievance: investor@bigshareonline.com
SEBI Registration No: INR000001385
Validity of Registration: Permanent

Legal Advisor to the Issue

T&S Law
Door Number 1202, Devika Towers,
Ghaziabad – 201 017,
Uttar Pradesh, India
Telephone: +91 959 970 0476
Email: info@tandslaw.in

Statutory and Peer Review Auditor of our Company

M/s. Pankaj R. Shah & Associates,
Chartered Accountants
7th Floor, Regency Plaza,
Opp. Rahul Tower, Near Madhur Hall,
Anandnagar Cross Road, Satellite,
Ahmedabad – 380 015,
Gujarat, India
Telephone: +91 79 4603 1545/1546, 79 4032 1025
Email: nilesh.shah@prsca.in
Contact Person: CA Nilesh Shah
Membership No.: 107414
Firm Registration No.: 107361W
Peer Review Certificate No.: 013474

Banker to the Issue/ Refund Bank

Banker(s) to the Issue/ Refund Bank will be appointed at the time of filing the Letter of Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

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

Inter-se Allocation of Responsibilities

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

Underwriting

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

Investor grievances

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

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

Expert Opinion

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

Our Company has received written consent dated December 26, 2022 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) report dated May 24, 2022 on our Audited Financial Statements for the financial year ended March 31, 2022; (ii) limited review report dated November 8, 2022 on our Limited Review Financial Results for the six month period ended September 30, 2022; and (iii) statement of tax benefits dated December 26, 2022 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Credit Rating

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

Debenture Trustees

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

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 82 of the SEBI ICDR Regulations, prior to the filing of the Letter of Offer.

For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Issue*" on page 67.

Filing

A copy of this DLOF has been filed with the Securities Exchange Board of India through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular dated January 19, 2018 bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD". This DLOF will also be filed with BSE and NSE, where the Rights Equity Shares are proposed to be listed.

Issue Schedule

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

Event	Indicative Date
Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights#	[●]
Issue Closing Date*	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of Listing (on or about)	[●]

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Common Application Forms, see *"Terms of the Issue"* beginning on page 229 of this Draft letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with either security control measures implemented there at. For further details, see *"Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders"* beginning on page 230 of this Draft Letter of Offer.

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

CAPITAL STRUCTURE

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

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at nominal value	**Aggregate value at Issue Price**
A.	**Authorised Share Capital**		
	4,00,00,000 Equity Shares of face value of ₹ 10 each	4,000.00	N.A.
B.	**Issued and Subscribed Share Capital before the Issue**		
	1,99,08,443 Equity Shares of face value of ₹ 10 each	1,990.84	N.A.
C.	**Paid-Up Share Capital before the Issue**		
	1,99,06,261 Equity Shares of face value of ₹ 10 each(1) (2)	1,990.62	N.A.
D.	**Present Issue in terms of this Draft Letter of Offer(3)**		
	Up to [•] Equity Shares of ₹ 10/- each	[•]	[•]#
E.	**Issued, Subscribed and Paid-Up Share Capital after the Issue**		
	[●] Equity Shares of face value of ₹ 10/- each	[●]	
F.	**Securities Premium Account**		
	Before the Issue	9,972.76	
	After the Issue**	[●]	

(1) Pursuant to a resolution passed by the Board of Directors in their meeting dated June 13, 2022, the Board approved forfeiture of 2,182 Equity Shares amounting to ₹39,137.50, due to non-payment of calls in the 2020 Rights Issue. Accordingly, the Equity Shares paid-up and outstanding prior to the Issue aggregated to 1,99,06,261 Equity Shares.
(2) Our Company is in the process of refunding an excess amount of funds amounting to ₹ 0.92 lakhs received from the applicants in the 2020 Rights Issue towards payment of calls.
(3)The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated August 6, 2022. The terms of the issue including the Record Date and Rights Entitlement Ratio, have been approved by resolution passed by our Board at its meeting held on [●].
#Assuming full subscription for and allotment of the Equity Shares.
***Subject to Basis of Allotment*

NOTES TO CAPITAL STRUCTURE

1. **Details of outstanding instruments as on the date of this Draft Letter of Offer:**

   There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer. Further, our Company does not have any employee stock option scheme or employee stock purchase scheme.

2. **Intention and extent of participation by our Promoters and Promoter Group in the Issue:**

   Our Promoters and member of our Promoter Group have, *vide* their letters dated December 20, 2022 (the "**Subscription Letters**") undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company. Further, solely in the event of an under-subscription of this Issue, our Promoters and members of our Promoter Group may subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

   The additional subscription, if any, by our Promoters and members of our Promoter Group shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

3. The Lead Manager and its respective associates (determined as per the definition of 'associate company' under the Companies Act, 2013 and as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares as on the date of this Draft Letter of Offer.

4. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations

i. The shareholding pattern of our Company as on September 30, 2022, can be accessed on the website of the BSE at: https://www.bseindia.com/stock-share-price/rushil-decor-ltd/rushil/533470/shareholding-pattern/ and the website of NSE at: https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=RUSHIL&tabIndex=equity

ii. Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on September 30, 2022 can be accessed on the website of the BSE at: https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=533470&qtrid=115.00&QtrName=September%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=RUSHIL&tabIndex=equity

iii. Statement showing holding of Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2022 can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=533470&qtrid=115.00&QtrName=September%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=RUSHIL&tabIndex=equity

5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●]/- per equity share.

6. Details of shares locked-in, pledged, encumbrance by promoters and promoter group:

One of our Promoters, Krupesh Ghanshyambhai Thakkar has created a pledge on July 8, 2020 over 19,85,925 Equity Shares constituting 9.98% of our paid-up Equity Share capital in favour of Bank of Baroda. Details in relation to the pledged Equity Shares can be accessed on the website of the BSE at https://www.bseindia.com/corporates/sastpledge_new.html?scripcd=533470 and on the website of the NSE at https://www.nseindia.com/get-quotes/equity?symbol=RUSHIL.

Except as disclosed above, as on date of this Draft Letter of Offer, none of the Equity Shares held by our Promoters or the members of our Promoter Group are pledged or otherwise encumbered.

7. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Draft Letter of Offer:

Our *Erstwhile* Promoter, Ghanshyambhai Ambalal Thakkar passed away on August 25, 2021 and 21,68,832 Equity Shares held by him were transmitted to his wife and member of our Promoter Group, Dinuben Ghanshyambhai Thakkar on August 10, 2022. Except as mentioned above and in this Draft Letter of Offer, our Promoters and members of Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of the Draft Letter of Offer.

8. Details of the shareholders holding more than 1% of the issued and paid-up Equity Share capital

The details of shareholders of our Company holding more than 1% of the issued and paid -up Equity Share capital of our Company, as on September 30, 2022 are available on the website of the BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=533470&qtrid=115.00&QtrName=September%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=RUSHIL&tabIndex=equity.

9. At any given time, there shall be only one denomination of the Equity Shares of our Company.

10. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.

OBJECTS OF THE ISSUE

Our company proposes to utilize the net proceeds from the issue towards funding the following objects:

- Repayment or pre-payment in full or part, of certain identified unsecured loans availed by our Company from the Promoter and members of the Promoter Group;
- To augment the existing and incremental working capital requirement of our Company; and
- General Corporate Purposes (collectively, referred to hereinafter as the "**Objects**")

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

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Details of Issue Proceeds

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

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount
1	Gross Proceeds from the Issue*	12,420.00
2	Less: Issue related expenses**	[●]
Net Proceeds from the Issue		[●]

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted as per the Rights Entitlement ratio.*
*** To be determined at the time of filing the Letter of offer.*

Requirement of Funds and Utilization of Net Proceeds

We intent to utilize the Net Proceeds are set forth in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount*
1	Repayment or pre-payment in full or part, of certain identified unsecured loans availed by our Company from the Promoter and members of the Promoter Group.	5,670.00
2	To augment the existing and incremental working capital requirement of our Company	4,230.00
3	General Corporate Purposes*	[●]
Net proceeds from the Issue**		[●]

** Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*
*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Means of Finance

The funding requirements mentioned above are based on inter alia our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the FY 2022-23	Estimated deployment of Net Proceeds for the FY 2023-24
1	Repayment or pre-payment in full or part, of certain identified unsecured loans availed by our Company from the Promoter and members of the Promoter Group.	5,670.00	5,670.00	-
2	To augment the existing and incremental working capital requirement of our Company	4,230.00	2,000.00	2,230.00
3	General Corporate Purposes#	[●]	[●]	[●]
Total Net proceeds from the Issue*		**[●]**	**[●]**	**[●]**

#The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds;
**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio;*

Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Our Company may also utilize any portion of the Net Proceeds, towards the aforementioned objects of the Issue, ahead of the estimated schedule of deployment specified above. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Issue

1. ***Repayment or pre-payment in full or part, of certain identified unsecured loans availed by our Company from the Promoter and members of the Promoter Group.***

As on November 30, 2022, our Company has availed unsecured loans of ₹ 3,872.79 lakhs, ₹ 1,688.08 lakhs and ₹ 134.26 lakhs from M/s. Rushil International, a partnership firm and Mr. Krupesh G. Thakkar being the promoter of our Company and Mrs. Dinuben G. Thakkar, being the member of the promoter group of our Company respectively. These unsecured loans were raised by our Company as requirement of additional subordinated loans to be brought in by the borrower shareholders as per the loan agreement executed between Rushil Décor Limited and syndicate of banks consisting of Bayerische Landesbank, Munich, Germany and Landesbank Baden – Wuttemberg, Stuttgart, Germany dated July 25, 2018, for the purpose of establishment of new manufacturing facilities, at Andhra Pradesh and other long-term business requirement of the Company.

Our Company proposes to utilize an estimated amount of ₹ 5,670.00 lakhs from the Net Proceeds of the Issue towards part repayment/prepayment, in full or in part, of certain identified unsecured loans availed by our Company from Promoters and members of the Promoter Group.

The following table provides details of the relevant terms of the unsecured loans that have been availed and outstanding by our Company from the promoter or members of the Promoter Group as on November 30, 2022, out of which we may repay/prepay, in full or in part, any or all of its respective loans/facilities, without any obligation to pay/repay any particular lender in priority to the other:

(₹ in Lakhs)

Sr. No.	Name of the entity/person	Outstanding Unsecured loans as on November 30, 2022	Purpose of availing Loan*	Interest rate (%) p.a.	Proposed repayment/pre-payment from Net Proceeds
1.	M/s. Rushil International	3,872.79	Brought in by the Borrower shareholder as an additional suborinated loans as per the loan agreement executed dated July, 25, 2018, between Rushil Décor Limited and syndicate of banks consisting of Bayerische Landesbank, Munich, Germany and Landesbank Baden – Wuttemberg, Stuttgart, Germany, for the purpose of establishment of new manufacturing facilities, at Andhra Pradesh and other long-term business requirement of the Company.	1.65	3,870.00
2.	Mr. Krupesh G. Thakkar	1,688.08		11	1,683.00
3.	Mrs. Dinuben G. Thakkar	134.26		11	117.00
	Total	**5,695.48**			**5,670.00**

**Our Statutory auditors have provided a certificate dated December 28, 2022 confirmed the amount outstanding as Unsecured Loan as on November 30, 2022.*

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

Our Promoter and our Promoter Group members have undertaken to: (a) subscribe, jointly and severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group; and (b) subscribe to, either individually or jointly, with the Promoter or member of the Promoter Group, for Additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

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

Interest of Promoters and Directors in the objects of the Issue

M/s. Rushil International, a partnership firm and Mr. Krupesh G. Thakkar, being the promoters of our Company and Mrs. Dinuben G. Thakkar, being the members of our promoter group, have *vide* its letter dated December 20, 2022 confirmed that an amount of ₹ 3,870.00 lakhs, ₹ 1,683.00 lakhs and ₹ 117.00 lakhs respectively, which has been availed by our Company, in the nature of identified unsecured loans as per the details mentioned in the above table, is proposed to be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, to the extent of their entitlement, renunciation of entitlement made in their favour by the members of Promoter Group (if any) as well as Additional Rights Equity Shares to be applied by them for the unsubscribed portion, (in part or full, as the case may be) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

2. To augment the existing and incremental working capital requirement of our company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and availed working capital loan from banks and financial institutions. We operate in a competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

Basis of estimation of working capital requirement

The details of our Company's working capital as at March 31, 2022 and March 31, 2021 and source of funding of the same are provided in the table below:

(₹ in lakhs)

Sr. No	Particulars	FY 2020-21		FY 2021-22	
		Amount	Holding period (in days)	Amount	Holding period (in days)
I	**Current Assets**				
1	Trade receivables	5,753.65	63	8,255.92	48
2	Other current assets	3,906.82	43	3,256.95	19
3	Inventories	8,427.23	92	15,542.36	91
4	Cash and cash equivalents (including bank balance)	1,163.33	-	609.97	-
	Total (I)	**19,251.03**	**-**	**27,665.20**	-
II	**Current Liabilities**				
	Trade payables	7,984.47	87	8,789.68	52
	Other current liabilities	1,494.58*	16	3,045.42*	18
	Other Financial Liabilities	8,328.13	-	13,325.52	-
	Total (II)	**17,807.18**	**-**	**25,160.62**	-
III	**Net Working capital requirement**	**1,443.85**		**2,504.58**	
IV	**Means of Finance (Existing Funding Pattern)**				
1	Internal Accruals / Equity	1,443.85	-	2,504.58	-
2	Current Borrowings (other than current maturities from long-term borrowings)	-	-	-	-
	Total (IV)	**1,443.85**		**2,504.58**	

(*) Does not includes Creditors for Capital Goods
Note: Pursuant to the certificate dated December 28, 2022 issued by the Statutory Auditor.

On the basis of the existing working capital requirements of the Company and the incremental and proposed working capital requirements, the details of our Company's expected working capital requirements, as approved by the management for the Fiscal 2023 and Fiscal 2024 and funding of the same are as provided in the table below:

Details of Projected Working Capital Requirements

(₹ in lakhs)

Sr. No	Particulars	FY 2022-23		FY 2023-24	
		Projected Amount	Holding period (in days)	Projected Amount	Holding period (in days)
I	**Current Assets**				
1	Trade receivables	9,683.20	44	10,629.01	43
2	Other current assets	4,050.10	18	4,065.01	17
3	Inventories	16,569.44	75	17,664.78	72
4	Cash and cash equivalents	717.33	-	1,512.35	-
	Total (I)	**31,020.07**	**-**	**33,871.15**	-
II	**Current Liabilities**				
1	Trade payables	9,043.51	41	9,128.68	37
2	Other current liabilities	2,284.35	15	2,303.63	15
3	Other Financial Liabilities	13,390.68	-	13,841.77	-
	Total (II)	**24,718.54**	**-**	**25,274.08**	-
III	**Net Working capital requirement**	**6,301.53**		**8,597.07**	
IV	**Means of Finance**				
1	Internal Accruals or Borrowings	4,301.53	-	6,367.07	-

Sr. No	Particulars	FY 2022-23		FY 2023-24	
		Projected Amount	Holding period (in days)	Projected Amount	Holding period (in days)
2	Net Proceeds from Rights Issue	2,000.00		2,230.00	
	Total (IV)	**6,301.53**		**8,597.07**	

Note: Pursuant to the certificate dated December 28, 2022 issued by the Statutory Auditor.

Assumptions for Working Capital Requirements

Sr No.	Particulars	Assumption
1	Inventories	Inventory levels are maintained by our Company depending upon the demand and delivery schedules. Historically our Company had Inventory turnover ratio ranging from 90 to 92 days. We are anticipating that the same shall be reduced to in the range of 72-75 days from Fiscal 2023 onwards by focusing on rationalizing our inventory management to meet our future requirement.
2	Trade Receivable	This is based on the average standard payment terms across our customers. Our Company's general credit terms vary across geographies and type of customer, and our assumptions are based on past trends. Historically, our Company had trade receivables days of 63 days and 48 days for Fiscal 2021 and Fiscal 2022 respectively. We are anticipating for similar trends in the range of 40-45 days of trade receivable days from Fiscal 2023 onwards on account of good long-standing customer relationships and improved Receivables recovery cycle.
3	Trade Payables	This is based on the standard payment terms of our vendors. Historically, our Trade Payables days were 87 days and 52 days for the Fiscal Year 2021 and Fiscal 2022 respectively. we anticipate the same to reduce to 41 days and 37 days for Fiscal 2023 and Fiscal 2024 based on our strategy of reducing our reliance on more expensive open market credit .
4	Other Current Assets	Other Current Assets mainly comprise of advances to suppliers of raw materials and stores and spares, balances with revenue authorities mainly in the form of GST input tax credit amounts, export incentives receivables, advance payment of taxes and other loans and advances recoverable in ordinary course of business including advances to employees. The level of other current assets was higher in FY 2020-21 mainly on account of a higher level of balance with the Government. However, in FY 2021-22 the holding level has come down to around 19 days. We are anticipating that the same shall be reduced to in the range of around 18-17 days from fiscal FY 2022-23 onwards as a conscious measure of improving the working capital cycle.
5	Other Current Liabilities	Other Current Liabilities include provisions for expenses/employee benefits and other normal provisions required to be made in the accounts, statutory liabilities due within a year, interest accrued but not due, advance payments received/deposits received from dealers and other current liabilities due within a year. The levels of other current liabilities are maintained by our company historically ranging from 16-18 days. We are anticipating the same shall be reduced to and maintained in the range of around 15 days in FY 2022-23 and onwards which are mainly in line with the historical range.

Note: Pursuant to the certificate dated December 28, 2022 issued by the Statutory Auditor.

3. *General Corporate Purposes*

Our Company intends to deploy the balance Gross Proceeds, aggregating to ₹ [●] lakhs towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross proceeds in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds may include, but are not restricted to, brand building and other marketing expenses, salaries and wages, rent, administration expenses, electricity bills of manufacturing plants, godown and offices, upgradation of information technology infrastructure, insurance related expenses, payment of taxes and duties, repair, maintenance, renovation and upgradation of our offices or branches, strategic initiatives, funding growth opportunities such as acquiring assets include furniture, fixtures and vehicles, leasehold improvements and intangibles, and similar other expenses incurred in the ordinary course of our business or towards any exigencies.
`

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Issue Related Expenses

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

(₹ in lakhs)

Particulars	Expenses*	As a % of total expenses*	As a % of Gross Issue size*
Fees of the Lead Manager, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses*	**[●]**	**[●]**	**[●]**

Note: *Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

Interim Use Of Funds

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

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Net Issue Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

Appraisal by Apprasing Agency

None of the objects have been appraised by any bank or financial institution or any other independent third party organizations.

Bridge Financing Facilities

As on the date of this Draft Letter of Offer, we have not entered into any bridge financing arrangements which is subject to being repaid from the Issue Proceeds.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Monitoring of Utilization of Funds

Our Company shall appoint [●] as the Monitoring Agency for the Issue. Our Board and the Monitoring Agency shall monitor the utilisation of the proceeds of the Issue and the Monitoring Agency shall submit a report to our Board as required under the relevant SEBI ICDR Regulations. Our Company shall publicly disseminate such report in such manner and within such timeline as prescribed under the SEBI ICDR Regulations.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Proceeds raised through this Issue. The Audit Committee shall make recommendations to our Board for further action, if necessary.

Further, according to the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations and variations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. Our Company will disclose the utilization of the Proceeds under an appropriate separate head along with details in our balance sheet(s) until such time as the Proceeds remain unutilized clearly specifying the purpose for which such Proceeds have been utilized. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the director's report.

Key Industrial Regulations for the Objects of the Issue

No additional provisions of any acts, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter group, the directors, associates or key management personnel or group companies, except for the part of the Net Proceeds that will be utilized towards the repayment and/or prepayment of certain unsecured loans availed by our Company from M/s. Rushil International, a partnership firm and Mr. Krupesh G. Thakkar, being the promoters of our Company and Mrs. Dinuben G. Thakkar, being the members of our promoter group of our Company and payments made in the normal course of business. There are no material existing or anticipated transactions.

STATEMENT OF TAX BENEFITS

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

To,
The Board of Directors
Rushil Decor Limited
S. No. 125, Near Kalyanpura Patia,
Gandhinagar Mansa Road, Kalol,
Village Itla, Gandhinagar – 382 845,
Gujarat, India.

Dear Sirs,

Subject: Statement of Special Tax Benefits available to Rushil Décor Limited and its Shareholders

We report that the enclosed statement in the Annexure, states the special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2021(hereinafter referred to as **"Income Tax Laws"**), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders as per the Finance Act 2022 and other amendments. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfil.

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

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

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

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

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

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

Yours Faithfully,

M/s. Pankaj R. Shah & Associates,
Chartered Accountants
FRNO: 107361W
Sd/-
Name: CA Nilesh Shah (Partner)
M No: 107414
UDIN: 22107414BGDTCI8256
Date: December 26, 2022
Place: Ahmedabad

Annexure A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA AND IN RESPECTIVE COUNTRIES (IN CASE OF MATERIAL SUBSIDIARIES)

A. Special tax benefits available to the Company under the Income Tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act 2021.

1. Lower corporate tax rates on income of domestic companies - Section 115BAA of the Act

2. The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate is available from FY 2019-20 relevant to AY 2020-21 and the option once exercised shall apply to subsequent assessment years. The concessional rate of 22% is subject to the company not availing any of the following specified tax exemptions/incentives under the Act:

   - Deduction u/s 10AA: Tax holiday available to units in a Special Economic Zone;
   - Deductions available under the Chapter VI-A except under section 80JJAA and section 80M;
   - Deduction u/s 32(1)(iia): Additional Depreciation;
   - Deduction u/s 32AD: Investment allowance;
   - Deduction u/s 35AD: Deduction for capital expenditure incurred on specified businesses;
   - Deduction under certain sub-sections/clauses of Section 35: Expenditure on scientific research.

   The total income of a company availing the concessional rate of 22% is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax ('**MAT**') under section 115JB of the Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

   The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

   Note: The company has opted the lower rate benefit for the financial year 2019-20 relevant to the assessment year 2020-21 as mentioned in the Section 115BAA for which declaration for the same has already been filed with the tax authority.

3. Deductions in respect of employment of new employees - Section 80JJAA of the Act

   As per section 80JJAA, where a company is subject to tax audit under section 44AB of the Act and derives income from business, shall be allowed deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

   Additional employee cost means the total emoluments paid or payable to additional employees employed in the previous year through an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account or through such other electronic mode as may be prescribed. These employees should also have total salary not more than Rs. 25,000/- per month and should also be member of a recognised provident fund.

   The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower tax rate of 22% under the provisions of section 115BAA of the Act (as discussed above).

4. Deduction in respect of inter-corporate dividends – Section 80M of the Act

The Dividend Distribution Tax ('DDT') applicable on companies on declaration of dividend has been deleted by the Finance Act 2020 with effect from April 1, 2020. Dividend income shall be taxable in the hands of shareholders with effect from AY 2021-22.

The Finance Act, 2020 has inserted section 80M effective April 2020 to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

B. Special Tax Benefits available to the Shareholders under the Act

There are no special tax benefits available to the Shareholders of the Company.

Notes:

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.
2. The above is as per the prevalent Tax Laws as on date.
3. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

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

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

1) Special indirect tax benefits available to the Company under the Act

There are no special indirect tax benefits available to the Company.

2) Special indirect tax benefits available to the shareholders under the Act

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

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

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

c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

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

SECTION IV – ABOUT THE COMPANY

INDUSTRY

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

Macroeconomic Overview of Global Economy

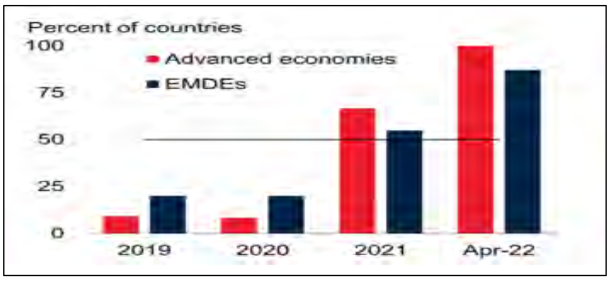
Global Prospects

The Russian Federation's invasion of Ukraine has significantly accelerated the projected slowdown in global growth. Forecasts for most economies have been downgraded for this year. Headwinds from the war are adding to large cumulative losses in output since the onset of the pandemic, particularly for commodity-importing emerging market and developing economies (EMDEs). Surging commodity prices have contributed to broadening price pressures, pushing inflation above central bank targets in the vast majority of inflation-targeting countries. For many EMDEs, adverse shocks from the pandemic and war have reversed the catch-up of per capita income with advanced economies.

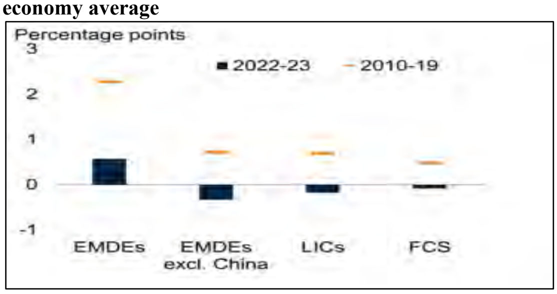
The effects of the war-including more acute inflationary pressures and a faster pace of monetary tightening than previously assumed-account for most of the 1.2 percentage points downward revision to this year's growth forecast. Growth projections for 2022 have been downgraded for most economies including for the majority of commodity exporters despite improved terms of trade, partly due to higher input costs in non-energy exporters.

Global consumer price inflation has climbed higher around the world and is above central bank targets in almost all countries which have them. Inflation is envisioned to remain elevated for longer and at higher levels than previously assumed. It is expected to peak around mid-2022 and then decline only gradually as global growth moderates, demand shifts further from goods toward services, supply chain bottlenecks abate, and commodity prices edge down, including for energy.

Countries with inflation above target



EMDE per capita income growth relative to advanced – economy average



The abrupt growth slowdown in EMDEs implies a pronounced deceleration in per capita income growth, from 5.4 percent in 2021 to 2.3 percent in 2022. As a result of the damage from the pandemic and the war in Ukraine, the level of EMDE per capita income this year will be nearly 5 percent below its pre-pandemic trend. EMDE catch-up with advanced-economy income levels is expected to be markedly slower over the next few years than in the pre-pandemic period, with progress reversing in EMDEs excluding China.

The world economy is expected to experience its sharpest deceleration following an initial recovery from global recession in more than 80 years. Global growth is projected to slow from 5.7 percent in 2021 to 2.9 percent in 2022 and average 3 percent in 2023-24.

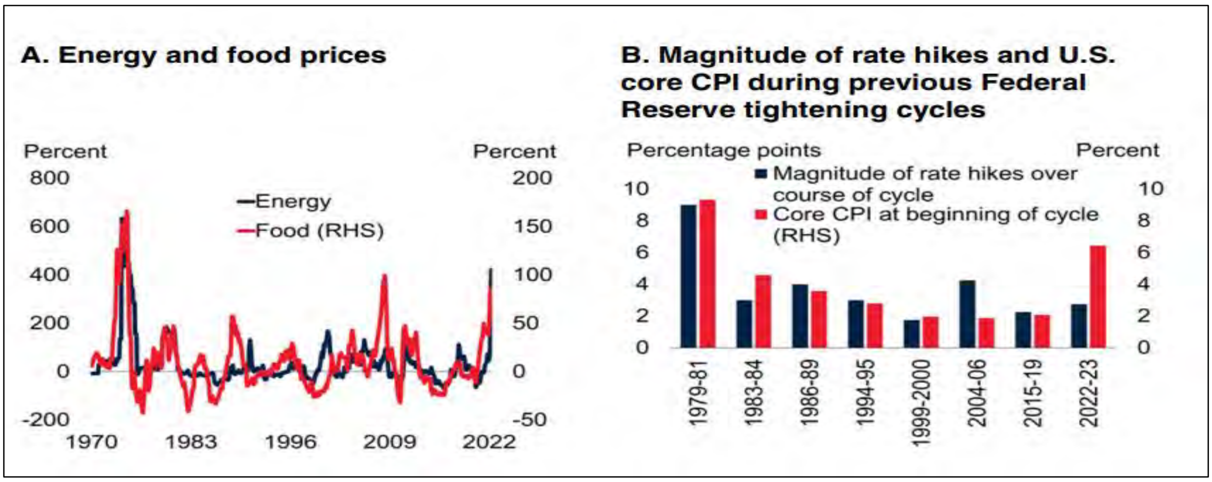
TABLE 1.1 Real GDP[1]

	2019	2020	2021e	2022f	2023f	2024f	Percentage point differences from January 2022 projections: 2022f	2023f
World	**2.6**	**-3.3**	**5.7**	**2.9**	**3.0**	**3.0**	**-1.2**	**-0.2**
Advanced economies	**1.7**	**-4.6**	**5.1**	**2.6**	**2.2**	**1.9**	**-1.2**	**-0.1**
United States	2.3	-3.4	5.7	2.5	2.4	2.0	-1.2	-0.2
Euro area	1.6	-6.4	5.4	2.5	1.9	1.9	-1.7	-0.2
Japan	-0.2	-4.6	1.7	1.7	1.3	0.6	-1.2	0.1
Emerging market and developing economies	**3.8**	**-1.6**	**6.6**	**3.4**	**4.2**	**4.4**	**-1.2**	**-0.2**
East Asia and Pacific	5.8	1.2	7.2	4.4	5.2	5.1	-0.7	0.0
China	6.0	2.2	8.1	4.3	5.2	5.1	-0.8	-0.1
Indonesia	5.0	-2.1	3.7	5.1	5.3	5.3	-0.1	0.2
Thailand	2.2	-6.2	1.6	2.9	4.3	3.9	-1.0	0.0
Europe and Central Asia	2.7	-1.9	6.5	-2.9	1.5	3.3	-5.9	-1.4
Russian Federation	2.2	-2.7	4.7	-8.9	-2.0	2.2	-11.3	-3.8
Turkey	0.9	1.8	11.0	2.3	3.2	4.0	0.3	0.2
Poland	4.7	-2.2	5.9	3.9	3.6	3.7	-0.8	0.2
Latin America and the Caribbean	0.8	-6.4	6.7	2.5	1.9	2.4	-0.1	-0.8
Brazil	1.2	-3.9	4.6	1.5	0.8	2.0	0.1	-1.9
Mexico	-0.2	-8.2	4.8	1.7	1.9	2.0	-1.3	-0.3
Argentina	-2.0	-9.9	10.3	4.5	2.5	2.5	1.9	0.4
Middle East and North Africa	0.9	-3.7	3.4	5.3	3.6	3.2	0.9	0.2
Saudi Arabia	0.3	-4.1	3.2	7.0	3.8	3.0	2.1	1.5
Iran, Islamic Rep. [2]	-6.8	3.4	4.1	3.7	2.7	2.3	1.3	0.5
Egypt, Arab Rep. [2]	5.6	3.6	3.3	6.1	4.8	5.0	0.6	-0.7
South Asia	4.1	-4.5	7.6	6.8	5.8	6.5	-0.8	-0.2
India [3]	3.7	-6.6	8.7	7.5	7.1	6.5	-1.2	0.3
Pakistan [2]	3.1	-0.9	5.7	4.3	4.0	4.2	0.9	0.0
Bangladesh [2]	7.9	3.4	6.9	6.4	6.7	6.9	0.0	-0.2
Sub-Saharan Africa	2.6	-2.0	4.2	3.7	3.8	4.0	0.1	0.0
Nigeria	2.2	-1.8	3.6	3.4	3.2	3.2	0.9	0.4
South Africa	0.1	-6.4	4.9	2.1	1.5	1.8	0.0	0.0
Angola	-0.7	-5.2	0.7	3.1	3.3	3.2	0.0	0.5
Memorandum items:								
Real GDP[1]								
High-income countries	1.7	-4.6	5.1	2.7	2.2	2.0	-1.1	-0.2
Middle-income countries	4.0	-1.3	6.8	3.3	4.2	4.5	-1.3	-0.3
Low-income countries	4.8	1.9	3.9	4.1	5.3	5.7	-0.8	-0.6
EMDEs excl. Russian Federation and Ukraine	3.9	-1.5	6.7	4.2	4.5	4.5	-0.5	0.0
EMDEs excl. China	2.5	-4.0	5.6	2.7	3.4	4.0	-1.5	-0.4
Commodity-exporting EMDEs	1.8	-3.8	4.8	1.2	2.6	3.2	-2.1	-0.5
Commodity-exporting EMDEs excl. Russian Federation and Ukraine	1.8	-4.0	4.8	3.7	3.3	3.4	0.3	-0.1
Commodity-importing EMDEs	4.9	-0.4	7.5	4.4	4.9	5.0	-0.8	-0.1
Commodity-importing EMDEs excl. China	3.2	-4.2	6.6	4.6	4.5	4.9	-0.7	-0.1
EM7	4.5	-0.5	7.3	3.3	4.3	4.7	-1.5	-0.4
World (PPP weights) [4]	2.9	-3.0	6.0	3.1	3.4	3.5	-1.3	-0.2
World trade volume[5]	**1.4**	**-8.0**	**10.3**	**4.0**	**4.3**	**3.8**	**-1.8**	**-0.4**
Commodity prices[6]								
Oil price	-9.9	-33.9	66.5	42.0	-8.0	-13.0	35.0	3.8
Non-energy commodity price index	-4.2	3.3	32.7	17.9	-8.1	-3.1	19.9	-4.1

Source: https://openknowledge.worldbank.org/bitstream/handle/10986/37224/Global-Economic-Prospects-June-2022-Global-Outlook.pdf

Global risks and policy challenges

Surging energy and food prices heighten the risk of a prolonged period of global stagflation reminiscent of the 1970s. Broad-based inflationary pressures in the United States may precipitate more aggressive monetar tightening, potentially triggering financial stress in emerging market and developing economies (EMDEs). Global growth could be substantially weaker if key downside risks were to materialize. Despite central bank rate hikes, real rates remain low amid high inflation, suggesting that further policy tightening may be needed. To address rising food insecurity, EMDE policy makers can deploy targeted support rather than distortionary price controls, which are already widespread.

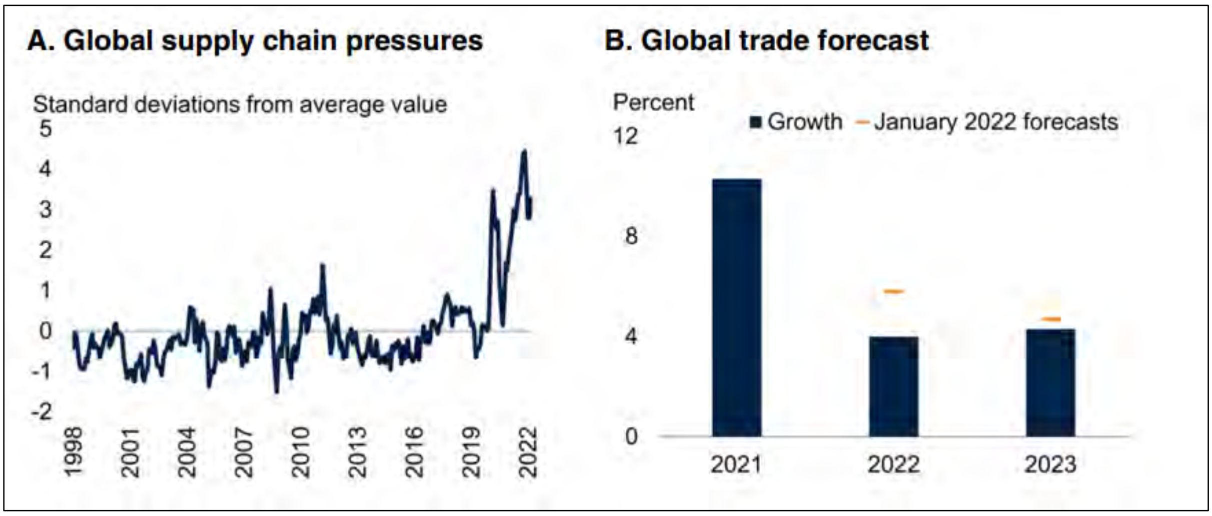


The global outlook is subject to various interlinked downside risks. Intensifying geopolitical tensions could further disrupt economic activity, generate policy uncertainty and, if persistent, lead to fragmentation in global trade, investment, and financial systems. Supply disruptions from the pandemic and the war in Ukraine have led to a spike in commodity prices comparable to the oil shocks of 1973 and 1979-80. Additional adverse shocks would increase the possibility that the global economy will experience a period of stagflation reminiscent of the 1970s, with low growth and high inflation.

Source: *https://openknowledge.worldbank.org/bitstream/handle/10986/37224/Global-Economic-Prospects-June-2022-Global-Outlook.pdf*

Global trade

Goods trade slowed in the first half of 2022 as supply chains continued to be affected by the lingering effects of the pandemic, including disruptions in major Asian ports and lockdowns in key cities in China. In addition, Russia's invasion of Ukraine and its repercussions have led to severe physical and logistical dislocations that have magnified pre-existing bottlenecks.



Global trade growth is anticipated to slow to 4 percent in 2022 as the war in Ukraine further disrupts global value chains, global activity gradually shifts back toward the less tradeintensive services sector, and international mobility moves toward pre-pandemic levels only gradually. This is a substantial downward revision relative to previous forecasts, largely because of higher transport costs and significant global value chain disruptions associated with the war. Global trade growth is expected to moderate to an average of 4.1 percent in 2023-24 as global demand for tradable goods continues to decelerate.

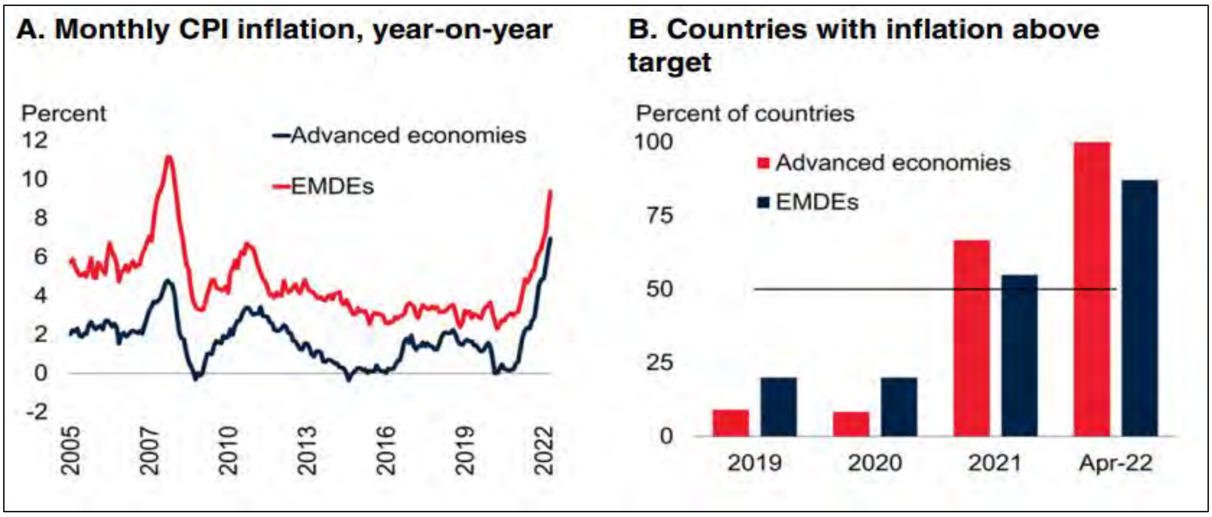
Source: https://openknowledge.worldbank.org/bitstream/handle/10986/37224/Global-Economic-Prospects-June-2022-Global-Outlook.pdf

Global inflation and financial developments

Global inflation

Inflation has accelerated in both advanced economies and EMDEs, reflecting firming demand; persistent supply disruptions; tight labor markets in some countries; and, especially, surging commodity prices, which have been pushed up further by the invasion. Global median headline CPI inflation rose to 7.8 percent (y/y) in April 2022, its highest level since 2008. Aggregate EMDE inflation reached over 9.4 percent, its highest level since 2008, while inflation in advanced economies, at 6.9 percent, is the highest since 1982.

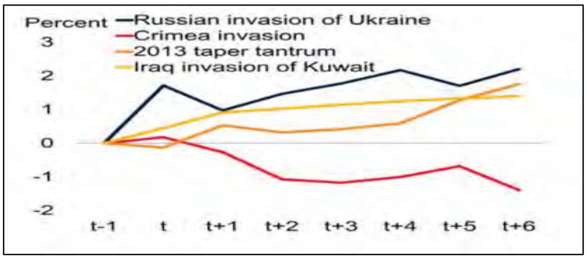
Inflation is above target in the vast majority of advanced economies and EMDEs that have adopted inflation targeting.



Financial Development

Rising inflation has led to expectations of faster monetary policy tightening across the world. Advanced-economy bond yields have risen markedly, and measures of equity volatility have seen a sustained increase, weighing on valuations of risky assets. The invasion triggered an initial appreciation of the U.S. dollar against EMDE currencies that was larger than appreciations related to the 2013 taper tantrum and previous conflict-related events involving oil exporters.

Evolution of the U.S. dollar against EMDE currencies during select events.



Source: https://openknowledge.worldbank.org/bitstream/handle/10986/37224/Global-Economic-Prospects-June-2022-Global-Outlook.pdf

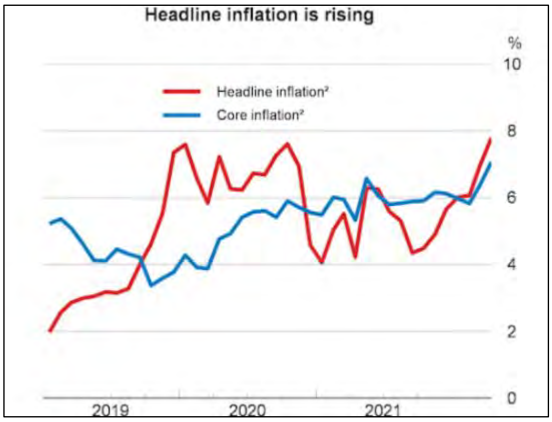
India Macroeconomic Overview

The Indian economy is progressively losing momentum as inflationary expectations remain elevated due to rising global energy and food prices, monetary policy normalises and global conditions deteriorate. Real GDP is projected to grow by 6.9% in fiscal year (FY) 2022-23 and 6.2% in FY 2023-24, despite a pick-up of corporate investment facilitated by the Production-Linked Incentive (PLI) Scheme. While inflation will gradually decline, the current account deficit will widen due to the surge in energy import costs.

India	2018	2019	2020	2021	2022	2023
	Current prices INR trillion	Percentage changes, volume (2011/2012 prices)				
GDP at market prices	189.0	3.7	-6.6	8.7	6.9	6.2
Private consumption	112.1	5.2	-6.0	8.7	0.0	4.2
Government consumption	20.5	3.4	3.6	2.2	9.6	5.8
Gross fixed capital formation	55.7	1.6	-10.4	15.5	7.8	9.6
Final domestic demand	188.2	4.1	-6.5	9.5	3.2	6.0
Stockbuilding[1,2]	7.9	-1.1	-0.8	-1.7	0.0	0.0
Total domestic demand	196.1	4.1	-7.7	11.5	8.2	6.3
Exports of goods and services	37.7	-3.4	-9.2	23.0	4.2	1.8
Imports of goods and services	44.8	-0.8	-13.8	34.7	10.0	2.9
Net exports[1]	- 7.1	-0.5	1.4	-3.0	-1.7	-0.4
Memorandum items						
GDP deflator	_	2.4	5.6	9.3	7.9	6.0
Consumer price index	_	4.8	6.2	5.6	6.7	6.5
Wholesale price index[3]	_	1.7	1.3	13.7	12.2	8.9
General government financial balance[4] (% of GDP)	_	-7.2	-13.3	-9.4	-8.3	-7.6
Current account balance (% of GDP)	_	-0.8	1.0	-1.2	-2.2	-1.8

Note: Data refer to fiscal years starting in April.
1. Contributions to changes in real GDP, actual amount in the first column.
2. Actual amount in first column includes statistical discrepancies and valuables.
3. WPI, all commodities index.
4. Gross fiscal balance for central and state governments.
Source: OECD Economic Outlook 111 database.

*Source:*https://www.oecd-ilibrary.org/sites/62d0ca31-en/1/3/2/22/index.html?itemId=/content/publication/62d0ca31-en&_csp_=0cf9a35c204747c5f82f56787b31b42b&itemIGO=oecd&itemContentType=book



The direct impact of the war in Ukraine is relatively limited, as trade between India and both Russia and Ukraine is small. Russia accounts for less than 1% of India's crude oil consumption in 2015-21 and 1% of 2020 coal consumption. Nonetheless, for selected industries, notably pharmaceuticals and weapons, Russia is an important destination and source, respectively. The indirect impact, through global commodity and energy market shifts, is much larger. In the 2015-21 period, India imported 88% of its annual consumption of oil and 29% for coal in 2020. It is also the world's largest nitrogen fertiliser importer, with Ukraine and Russia accounting for 9% of imports. These forces, together with the lockdowns in China and the EU embargo, are contributing to high inflation, although pressures may subside in coming months. Potential opportunities for Indian grain exporters to take the place of Ukrainian suppliers in third markets, in particular for wheat, have been prevented, at least temporarily, by the export-restrictive measures introduced in May.

Growth will moderate in 2022 and 2023

Monetary policy normalisation and weaker external demand will weigh on GDP growth in FY 2022-23 and FY 2023-24, though strong government spending will continue to support activity. An ambitious set of measures to simplify the business environment, create a 'bad bank' (National Asset Reconstruction Company) tasked with cleaning up balance sheets, and improve logistics is expected to mitigate the impact of higher credit costs on private investment. However, households maintain cautious views regarding short- and medium-term prospects, amid signs of labour market softening, deteriorating purchasing power and flattening real incomes.

Major risks continue to surround the outlook. The COVID-19 pandemic may not subside as fast and broadly as expected and the booster vaccine campaign may stall at far from universal coverage levels. A significant deterioration in investors' risk appetite for emerging economy assets may ignite a negative feedback loop between the financial sector and real economy, which in turn may weaken banks' capital positions. Private business, including large enterprises and business groups that were largely immune from the worst consequences of the COVID-19 crisis, may revisit investment plans if interest rates keep increasing. Rising food inflation is an upside risk to the overall inflation outlook, as it may lead to more food protectionism and prompt retaliatory measures. Failure to contain the increase in the cost of living may also exacerbate food security risks, especially among children, and further aggravate the social costs of school closures during the pandemic.

Source:*https://www.oecd-ilibrary.org/sites/62d0ca31-en/1/3/2/22/index.html?itemId=/content/publication/62d0ca31-en&_csp_=0cf9a35c204747c5f82f56787b31b42b&itemIGO=oecd&itemContentType=book*

India Furniture Industry

The Indian Furniture Market stood at USD23.33 billion in FY2021 and is growing at a CAGR of 6.04% during the forecast period to reach the value of USD32.75 billion by FY2027.

Furniture manufacturing has drastically shifted from manual to semi-automatic and automatic manufacturing modes to design aesthetically superior furniture to be used in residential and commercial spaces. Changing consumer preference and adopting wood alternatives to lower the deforestation rate and improve the life of the furniture is expected to boost the growth of the Indian Furniture Market.

The development of e-commerce channels showcasing a large number of options to buy furniture either for personal, professional, or commercial use, along with the facility of quick and free delivery, has expanded the reach of the Indian Furniture Market to a wider audience.

Market players are providing a 3D view of the furniture and using animation and other advanced technologies to give the customers an idea of how the furniture will look in room settings, attracting a lot of potential customers to decide the right furniture according to their needs. Improvement of economic conditions of the country and the growing disposable income of the middle-class families is enabling them to afford furniture to experience enhanced convenience and comfort.

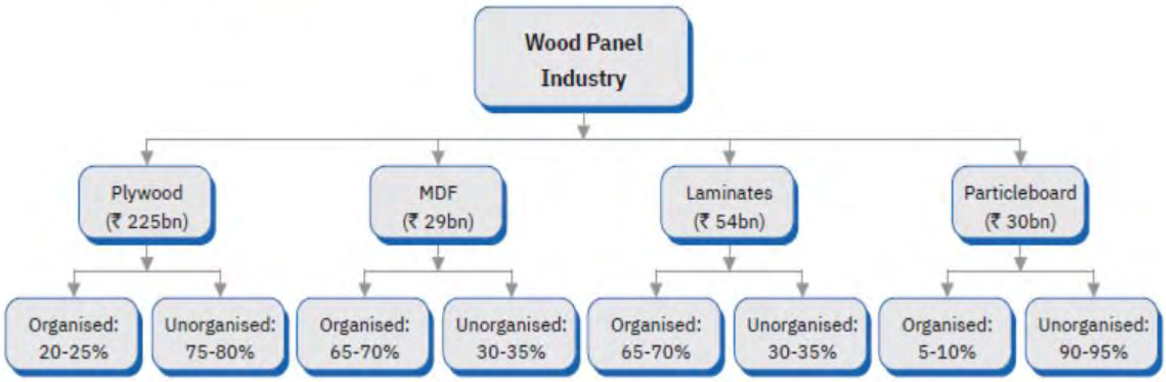
The government is promoting the growth of the hospitality and tourism industry to boost the country's economy and provide better services to tourists. Hotels and restaurants purchase comfortable, aesthetically superior furniture. The rise in the number of hotels, restaurants, and tourist spots is expected to accelerate the growth of the Indian Furniture Market in the next five years.

Source:*https://www.globenewswire.com/en/news-release/2022/03/03/2396013/28124/en/India-32-75-Bn-Furniture-Markets-to-2027-Increasing-Urbanization-and-Growing-Demand-for-Eco-friendly-Furniture-Products-are-Expected-to-Create-Attractive-Growth-Opportunities.html*

Indian Wood Panel Industry

The wood panel industry forms an integral part of the furniture industry. The furniture made from wood panel are highly flexible, lightweight and find multiple usage. With the increase in work from home, learn from home practices for students, the demand for study tables, work tables, and home office setups has generated higher revenues for the segment. Besides, emerging demand from the construction of new offices, residential flats, and societies etc. also contributes significantly.

Wood panel industry - structure



(Source- Edelweiss Home Decor Focus Report 2021)

Source: *Annual report of Rushil Decor Limited for FY 2021-22.*

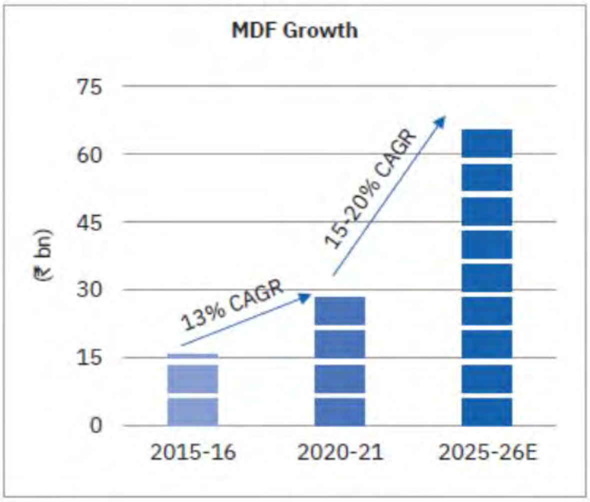
Indian Medium Density Fibreboard

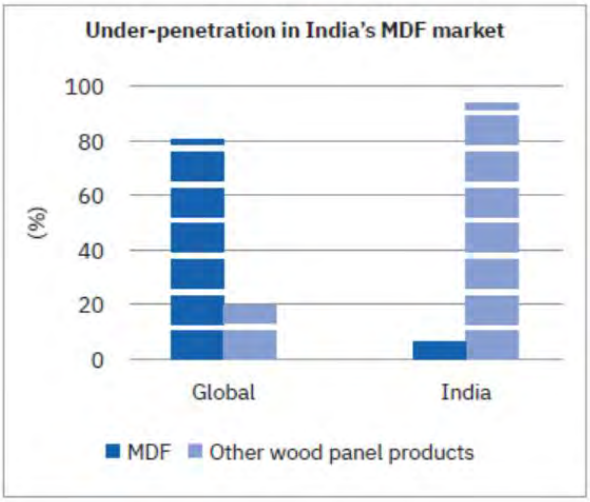
Medium-density fibreboard (MDF) is an engineered wood panel that is formed by coalescing wood fibres obtained from breaking down hardwood and softwood in a defibrillator. It has a non-directional grain structure, making it an ideal wooden material for cutting, machining drilling processes without the production of chips or splinters. Furthermore, the absence of knot makes it easier for finishing, making it suitable for application in the interior decoration of houses and offices. They are usually denser and economical as compared to plywood. These factors make it an excellent alternative material for application wherein moisture resistant and very high impact resistance are not obligatory attributes. Currently, MDF is the best performing sub-segment in the wood panel industry. The demand for MDF is expected to remain robust as there is increased acceptance for ready-made furniture post the pandemic.

Some of the key attributes include:

- Finds diverse application across handicrafts, gift boxes, photo lamination & frames, shoe heels, automobile door trims, loud speakers and textiles planks, among others;
- Withstands both heat and humidity;
- Suitable for the entire range of home furniture such as modular kitchen, wardrobes and others;
- More stable than the solid wood;
- Larger lifespan of over 10 years;
- Saves tree as it is follows recycling process; and
- Has no greens as it is not a real product, but easy to cut and drill without any damage

The current industry size is around ₹ 5,500 Cr, and 33% of India's requirement is met through imports from China, Malaysia, Thailand and Sri Lanka. Owing to its significant advantages over plywood, MDF is emerging to be the fastest-growing category in the wood panel industry witnessing a 15–20% CAGR, and is estimated to touch ₹ 65 Bn by 2025-26. The penetration levels are still low in India — accounting for only 7% of the entire plywood industry as against 80% globally. Burgeoning urbanisation, better durability and cost benefits compared to B & C grade plywood and the increasing aspiration of millennials towards lifestyle house decor, will continue to generate demand for MDF.





Source: *Annual report of Rushil Decor Limited for FY 2021-22.*

Laminates

Laminate sheets are used to enhance surfaces like walls and furniture, and provide them aesthetic touch as well as improvise their longevity. Its application includes layer digital layer, unicolour, sync series, resistance grade, high gloss and lab grades, among others.

The current industry size is estimated to be around ₹ 6,000 Cr While the domestic growth during the year, remained largely flat owing to the lockdowns, the exports continued to dominate with larger demand from Europe, US and various other countries in the APAC region. However, the future for laminates is bright owing to factors, such as rising population, rapid urbanisation and increasing construction activities across both residential and commercial utilities. This, in turn, is expected to positively influence the demand for laminates.

Source: *Annual report of Rushil Decor Limited for FY 2021-22.*

The decorative laminates market is segmented into Product Type, Application amd End use. On the basis of product type, the market is bifurcated into high-pressure laminates & low-pressure laminates. Depending on application, it is categorised into walls, flooring and furniture & cabinets. By end-user industry, it is segregated into commercial and residential. The global decorative laminate market size was valued at $7.0 billion in 2021, and is projected to reach $ 10.0 billion by 2031, growing a CAGR of 3.4% from 2022 to 2031. Decorative laminates are furnishing products used for providing greater aesthetic appeal to the external surface of furniture, walls, and other static and movable building components such as floors and doors & windows. They are manufactured using resins amd high-quality kraft paper, pressed at high amount of heat and pressure, which makes it durable and resistant to moisture.

Source: *https://www.alliedmarketresearch.com/decorative-laminates-market*

Poly Vinyl Chloride Board

India Polyvinyl Chloride market demand stood at 4.12 Million Tonnes in FY2021 and is forecast to reach 7.03 Million Tonnes by FY2030, growing at a healthy CAGR of 6.11% until FY2030. High demand for Polyvinyl Chloride in the manufacturing of electric vehicles and surge in application in the healthcare industry is the major driver for the forecast period. Polyvinyl Chloride comes under the category of synthetic polymers and is a part of the vinyl chain. These polymers are highly desired in various industries owing to their non-flammability, ease of processing and molding, and superior strength.

Source: *https://www.researchandmarkets.com/reports/5055482/india-poly-vinyl-chloride-pvc-market-analysis*

PVC boards are available in varying thicknesses and may be printed on either side. PVC Foam Boards provide a constantly smooth and bright surface. They are lightweight and durable and offer excellent chemical resistance. They have good thermal properties too, making PVC Foam Board a versatile choice suitable for use indoors and outdoor. PVC foam board is a kind of building made of polyvinyl chloride, with features as waterproof, flame retardant, acid & alkali resistant, light & heat preservation, noise insulation and shock absorption. The PVC foam sheet, can be the ideal substitute of wood, aluminum and composite board. Furthermore, the surface is very smooth and high hardness, which is not easy to be scratched. For this feature, PVC foam board can be the prime choice in making furniture. The surface is polished, grain less, non-porous and clean which can be printed, painted, coated and laminated directly.

Source: *https://www.polywood.org/product/pvc-foam-board/*

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" beginning on page 21, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 104 and 199, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statements.

Rushil Decor Limited commenced operations in 1993 under the name and style of well-known product brand **"VIR"**. Our Company is a flagship company of the Rushil Group. Our Company was incorporated in the year 1993 and is engaged into manufacturing of Decorative Laminated Sheets, MDF Board and PVC Foam Board with a network of branches & consignments and direct distributors/ dealers across India.

Our Company is engaged into manufacturing of Laminated Sheets, MDF Board and PVC Foam Board using facilities strategically located at Gujarat, Karnataka and Andhra Pradesh. Our Company manufactures decorative (single sided) as well as industrial (double sided) Laminates with a wide range of designs, colours and finishing in three of its manufacturing plants located at Gujarat having aggregate laminate capacity of 34.92 lakh sheets per annum. Our Company also manufactures standard thick MDF Boards and Pre-lam MDF Boards with thickness ranging from 7 mm to 30 mm at its plant located at Chikmagalur, Karnataka with an installed capacity of 300 CBM per day or 90,000 CBM per annum and PVC Foam Board with thickness ranging 4 mm to 28 mm with an installed capacity of 5,760 MT per annum. Keeping in view the increasing demand of MDF products in the market, our Company has set up an additional manufacturing unit in Andhra Pradesh for manufacturing thin and thick MDF and Prelam MDF with an installed capacity of 800 CBM per day or 2,40,000 CBM per annum with thickness ranging from 2 mm to 30 mm. In the manufacturing facility, our Company will be able to manufacture MDF products in different sizes and dimensions, which will enable us to enter into a niche segment of the market. Our Company has an in-house design team which is responsible for creating new designs for our products as per the market demand.

Our Company adheres to some of the industry's best quality product accreditations. Our Company has obtained certifications such as ISO 9001:2015, ISO 14001:2015 and ISO 45001: 2018 for Manufacture and Supply of High Pressure Decorative Laminates, Compact Laminates, Kitchen Doors and Drawers for our three (3) manufacturing units located at Mansa, Gujarat, and head office in Ahmedabad, Gujarat as well as for MDF & Pre-lam manufacturing plant located at Atchutapuram, Andhra Pradesh. We have obtained certificates from Bureau of Indian Standards IS 2046:1995 for decorative thermosetting synthetic resin bonded laminated sheets for its Dholakuva and GIDC Mansa Unit. Also, our Company has obtained certificate from Singapore Environment Council for right to use Singapore Green label for "VIR LAMINATE / TIERO/ ICA/ RUSHIL 042-016-1266 as environmentally preferred surface covering.

Our Company has a brand presence and our brands **"VIR LAMINATE", "VIR MDF", "VIR PROPLUS", "VIR MAXPRO", "VIR PRELAM MDF", "VIR PVC" and "VIR STUDDIO"** are recognised and respected in the industry. Our Company has created a nationwide network branches & consignments and direct distributors/ dealers across the country for marketing and distribution of Laminated Sheets, MDF Board and PVC Foam Board.

Over the years, we have made continuous investments in our manufacturing infrastructure to support our product portfolio requirements and reach. Our capabilities as a company include internal R&D expertise, state-of-the-art manufacturing capabilities, a strict quality assurance system, modern production designing experience and established marketing and distribution relationships. Our strict compliance with the internal quality control and international standards of quality, has enabled us to expand our operations internationally to countries including Kenya, Kuwait, Qatar, South Africa, Srilanka, UAE, Nepal, Port of Spain, United States of America, Bahrain, Indonesia, Jordan, Malaysia, Mexico, Oman, Philippines, Russia, Saudi Arabia, Singapore, Thailand, Yemen, Sudan, Vietnam, Bangladesh, Ireland, etc.

MANUFACTURING FACILITIES

Our Company currently owns five (5) manufacturing facilities out of which three (3) manufacturing units located in Gujarat and one (1) each in Karnataka and Andhra Pradesh respectively.

Each of our manufacturing facilities has the ability to manufacture various range and sizes of Laminated Sheets, MDF Board and PVC Foam Board.

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

Manufacturing Units	**Products**	**Our major brands**	**Capacities per Annum**
608, GIDC Mansa, Dist. Gandhi Nagar, Gujarat	Laminates	"VIR Laminate" and "SIGNOR"	876000 Sheets
At Dholakuva Patia, Gandhi Nagar Mansa Road, Dist. Gandhi Nagar, Gujarat	Laminates	"VIR Laminate" and "SIGNOR"	2076000 Sheets
S.no. 125, Nr. Kalyanpura Patia, Gandhi Nagar Mansa Road, Village Itla, Tal. Kalol, Gujarat	Laminates	"VIR Laminate" and "SIGNOR"	540000 Sheets
Plot No. 58, 59 & 60p, Amble Industrial Estate Village, Chikmagalur, Karnataka	MDF / PRELAM MDF & PVC	"VIR MDF", "VIR PROPLUS", "VIR MAXPRO" and "VIR PRELAM MDF"	90000 CBM MDF board and 5760 MT PVC Foam Board
Plot No. 15B1, 15B2, 15L, 15C, 15K, 15D1 and 15D, De-notified Area – APSEZ, Atchutapuram, District: Visakhapatnam, Andhra Pradesh	MDF / PRELAM MDF	"VIR MDF", "VIR PROPLUS", "VIR MAXPRO" and "VIR PRELAM MDF"	240000 CBM MDF board

Since incorporation, it was our Company's vision and focus to manufacture and supply superior quality products to our customers, which has enabled us to expand our business operations globally. We have set up a quality control facility **("Quality Control Facility")** in all our manufacturing units which carries out all the required tests on the materials received including raw materials which are used in the manufacturing process and also on the final products. Our Quality Control Facility also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process.

We have an experienced professional management team under the overall stewardship of Mr. Krupesh Ghanshyambhai Thakkar, one of the Promoters and Chairman & Managing Director who has an experience of more than 30 years in laminate and wood-based industry. He has been awarded with several accolades including, the **"Rajiv Gandhi Shiromani Award" and the "Indira Gandhi Sadbhavana Award"** for his pioneering work and contribution to the nation. Our whole time Director Mr. Rushil K. Thakkar is a young budding entrepreneur with vision and mission to take the Company to a leading position in the business segments of MDF Board, Laminates sheets and several other segments. We also have a team of professionals to manage the core functional areas such as finance, procurement, manufacturing, logistics, sales and marketing, human resources, and information technology.

In the year 2011 our Company made its maiden public issue of 56,43,750 Equity Shares at issue price of ₹ 72/- per Equity Shares aggregating to ₹ 4,063.50 lakhs and consequently the Equity Shares were listed on BSE and NSE. The market capitalization (***full float***) of our Company as on November 30, 2022 was ₹ 79,973.40 lakhs and ₹ 79,734.53 lakhs on BSE and NSE respectively.

Our revenues from operations for unaudited financial results limited review for six months period ended September 30, 2022 and for the financial year ended on March 31, 2022 and March 31, 2021 were ₹41,417.25 Lakhs, ₹62,416.90 Lakhs and ₹33,544.38 Lakhs respectively. Our EBITDA for unaudited financial results limited review for six months period ended September 30, 2022 and for the financial year ended on March 31, 2022 and March 31, 2021 were ₹9,526.64 Lakhs, ₹7,535.37 Lakhs and ₹4,081.62 Lakhs respectively. Our profit after tax for unaudited financial results limited review for six months period ended September 30, 2022 and for the financial year ended on March 31, 2022 and March 31, 2021 were ₹5,388.03 Lakhs ₹2,280.47 Lakhs and ₹1,371.83 lakhs respectively. For further details, please refer to the section titled *"Financial Information"* on page 104 of this Draft Letter of Offer.

OUR COMPETITIVE STRENGTH

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

Our Company was incorporated in the year 1993 and over the years, we have steadily grown as an interior infrastructure solutions provider. Our one of the Promoter Mr Krupesh G. Thakkar has over 30 years of experience on an average in the wood based panel products industry. The reputation and expertise of our Promoters in the wood based panel products industry has enabled us to establish brand equity of the products marketed under our brand name "VIR". We have a track record of developing home-grown brands, leveraging our deep understanding and market research of the laminate industry. Our major products such as PVC foam board, MDF boards, laminates and are marketed by our dealers, consignment agents and branch offices under brands Name of "VIR" and "Signor". We believe that our brands enables us to better cater the needs of our customers and increase the range and diversity of our products, leading to increased brand loyalty and repeat customers.

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

2) ***Experienced management team.***

Our management team has requisite mix of having academic backgrounds business management, commerce, etc. They hold qualifications in engineering, business management and accounting. In addition, our management team has considerable experience in the wood based panel products industry, with our promoters having extensive knowledge and over 30 years of experience on an average in the wood based panel products industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing facilities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the interior infrastructure sector. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of competitive technology results in growing capacities and rising production levels with better cost management and process efficiency has translated into enhanced quality of our product, increasing profitability and improving margins which gives us a competitive edge.

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

Our Company has invested in establishing processes, teams and technology to manage our distribution channels and retail presence. As on November 30, 2022, our Company has engaged number of branches and consignments, and direct distributors/ dealers to ensure easy product availability to our customers, efficient supply chain, focused customer service and short turnaround times. Our sales and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. Our long-standing dealer base is supported by an efficient sales team, leading the products to showrooms across the country, thereby making our products available on the shelf at all times, reducing dealer stock levels and increasing annual sales per dealer. The intermediaries in our distribution network remain in constant contact with our customers, which enables them to perceive the market requirement and the sentiment of customers towards our products. The intermediaries in our distribution network are the first point of contact for us and our sales and marketing teams remain in contact with the intermediaries to constantly improve our products and bring them in line with the requirements of our customers. Our design team helps us maintain longstanding relations with interior architects and designers, contractors and carpenters, as well as retailers. Owing to the efforts of our design team we have been able to reinvent our designs and keep our brands and our products up to date with the market requirement. Our sales and marketing team has a focused approach to creating brand awareness through print and electronic media. We have targeted deeper penetration in small cities and towns for marketing of our products. We have deployed our team of sales professionals in various states so that we can provide first hand guidance and assistance to our dealers across the nation. As a result of our widespread distribution network, significant operational experience and regular follow ups of our design team to gauge the customer's demand, we believe that we have been able to identify market trends and personally connect with a large number of consumers, thereby gaining trust of our customers over the years.

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

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

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

We have obtained certifications such as ISO 9001:2015, ISO 14001:2015 and ISO 45001: 2018 for Manufacture and Supply of High Pressure Decorative Laminates, Compact Laminates, Kitchen Doors and Drawers for our three (3) manufacturing units located at Mansa, Gujarat, and head office in Ahmedabad, Gujarat as well as for MDF & Pre-lam manufacturing plant located at Atchutapuram, Andhra Pradesh. We have obtained certificates from Bureau of Indian Standards IS 2046:1995 for decorative thermosetting synthetic resin bonded laminated sheets for its Dholakuva and GIDC Mansa Unit. Also, our Company has obtained certificate from Singapore Environment Council for right to use Singapore Green label for "VIR LAMINATE / TIERO/ ICA/ RUSHIL 042-016-1266 as environmentally preferred surface covering. In addition to this, we also have checks and testing systems in place, from the procurement of raw material to the manufactured product, for ensuring the quality of our products.

Our Andhra Pradesh based Vishakhapatnam MDF plant is one of it's kind unique plant in India with world's latest and best Continuous press technology supplied by one of the world top MDF board plant supplier SIEMPELKAMP, Germany. This is 9th generation plant with full automation which ultimately results in to superior quality MDF board.

Key highlights of MDF Vishakhapatnam plant :

- Latest 9th generation Continous Roll press from one of the world top MDF board plant supplier SIEMPELKAMP, Germany
- Refiner of proven EVO series from VALMET Technologies, Sweden
- Sanding machine from STEINEMANN , Switzerland
- Intermediate storage from ANTHON, Germany
- Energy plant from India's leading Thermax Limited
- Laboratory equipment from IMAL, Italy

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

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

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

6) ***Cost efficient sourcing and locational advantage***

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

OUR BUSINESS STRATEGY

1) Expansion of Laminate Sheet

The Company has planned to establish the new Laminate Sheet manufacturing unit within the vicinity of existing laminate sheet manufacturing plants in Gujarat. This plant is for manufacture of decorative laminates including bigger size (Jumbo size) laminates having aggregate installed capacity of 1.2 million sheets per annum at an approximate outlay of Rs. 60 crores. This may be helpful to cater the foreign market where there is huge demand of bigger size laminates.

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

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

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

The industry is seeing a shift in market share from the unorganised to the organised sector. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands. Since the industry is highly unorganized, a good distribution network is essential in this industry. We are focusing on expanding on our distributorship network by opening new marketing offices or by way of appointment of new distributors, including smaller towns and rural areas. We believe that smaller towns in suburban India would be the new emerging realty hubs for development of residential and commercial complexes and intend to position ourselves to capitalize on these emerging opportunities.

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

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

DESCRIPTION OF OUR BUSINESS

We commenced our operations in the year 1993 when our Promoters acquired a laminate manufacturing unit situated at plot no. 608, GIDC, Mansa District, Gandhinagar, Gujarat to set up our first manufacturing facility for decorative laminate sheets with an installed capacity of 8,40,000 laminate sheets per annum. In the year 1998 we expanded our manufacturing operations by setting up another manufacturing unit under the name ***"Mica Rushil Private Limited"*** situated at Dholakuva, Near Limbodra Patia, Gandhinagar – Mansa road, Tal. Kalol, District, Gandhinagar for manufacturing decorative laminated sheets with an installed capacity of 16,80,000 laminate sheets per annum. With an intention to strategically expand our manufacturing operations, in the year 2002 we established another manufacturing unit at village Itla, Near Kalyanpur Patia, Gandhinagar, Mansa Road, Tal. Kalol, District, Ghandhinagar under the name ***"Rushil High Pressure Laminates Private Limited"*** of manufacturing decorative laminated sheets with an installed capacity of manufacturing 4,80,000 laminate sheets per annum.

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

Thereafter, our Company forayed into manufacturing of MDF Board, in the year 2012, we established MDF manufacturing unit at Chikmagalur, Karnataka with an installed capacity of 90,000 CBM per annum. Thereafter, in the year 2018, we diversify the products portfolio by introducing new product named **"PVC Foam Board"** with capacity of 5760 MT per annum at the existing manufacturing unit at Chikmagalur, Karnataka. After considering the huge demand of MDF Board in the Global Market, we established another MDF manufacturing unit at Atchutapuram, District: Visakhapatnam, Andhra Pradesh with an installed capacity of 2,40,000 CBM per annum.

PRODUCT FOCUS

Brands	Products	Manufacturing
DECORATIVE LAMINATES; VIR LAMINATE	Laminates	• 03 Manufacturing units located in Gujarat • Aggregate Capacity - 34.92 lakhs Sheets Per Annum • Capacity utilization – approximate 80% during the FY 2021-22
VIR MDF; VIR PRELAM MDF; VIR PROPLUS EXTERIOR GRADE MDF; VIR PRO INTERIOR GRADE MDF; VIR MAXPRO HDFWR	MDF	• Manufacturing Units situated in Karnataka and Andhra Pradesh • Capacity- 300 CBM/Per Day at Karnataka and 800 CBM/Per Day at Andhra Pradesh. • Capacity utilization - 76% at Karnataka and 56% at Andhra Pradesh during the FY 2021-22
VIR PVC	PVC	• Manufacturing unit situated in Karnataka • Aggregate Capacity - 5760 MT/Per Annum

BUSINESS DETAILS

Product Portfolio

We are in the business of manufacturing and marketing of Medium Density Fibre Board (**MDF**), Laminates, and PVC Foam Board, a brief description of the same is given below:

A. **Medium Density Fibre Board (MDF)**

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

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

B. **Decorative Laminates**

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

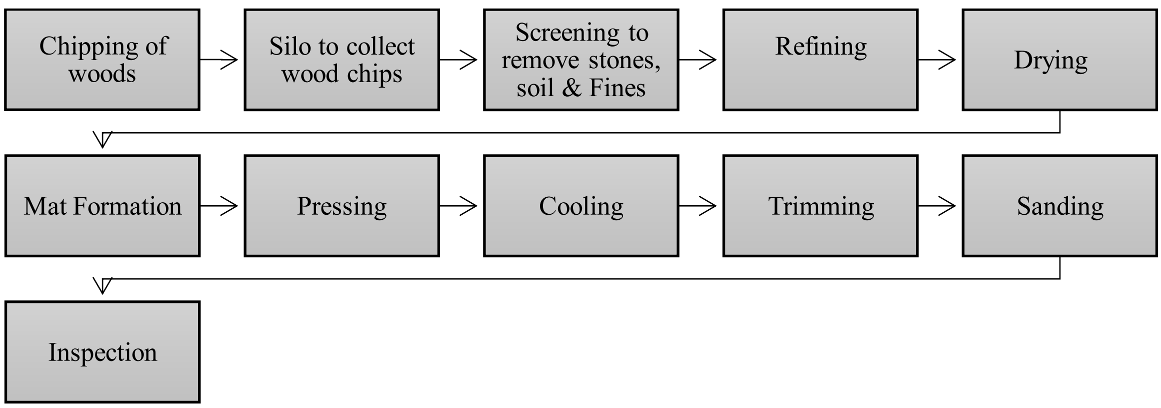
C. **PVC Foam Board**

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

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

Manufacturing Process Flow

1) **Medium Density Fibre Board (MDF)**



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

a) Raw Materials

The principle raw material for the manufacturing of MDF Board are, eucalyptus, alwana, mango wood, etc. which are easily available from the agro-forestry plantations.

For our manufacturing plant at Chikmangaluru, Karnataka, our company has entered into an agreement with Karnataka Forest Development Corporation Limited (**Seller**), dated December 20, 2022 for purchase of its main raw material such as pulpwood species like Ecalyptus and Acacia of different species for production of MDF board.

As per the terms of agreement, the Seller will supply approximately 20,000 MT of with bark Eucalyptus pulpwood during the period from December 21, 2022 to December 20, 2023 (both days inclusive).

b) Water

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

For our manufacturing unit situated at Andhra Pradesh, the water is supplied by the Andhra Pradesh Industrial Infrastructure Corporation Limited in the state of Andhra Pradesh.

c) Electricity

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

For our manufacturing unit situated at Andhra Pradesh, we are using the electricity from Manikaran Power Limited and Eastern Power Distribution Company of AP Limited. .

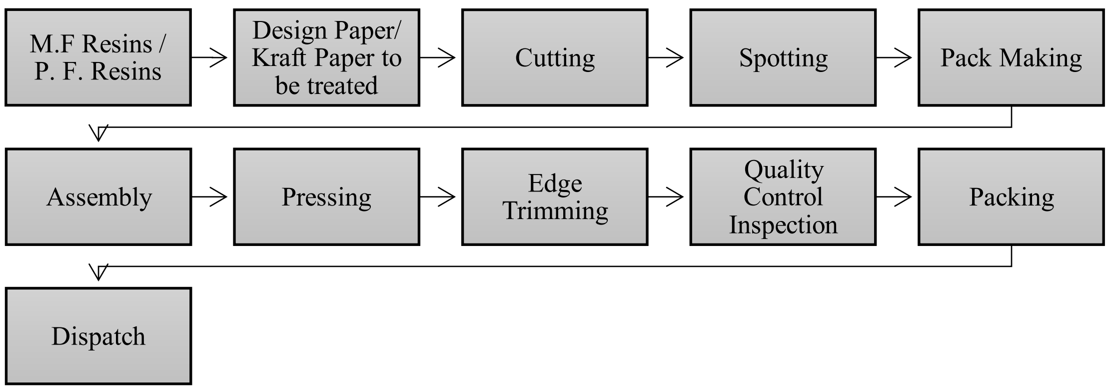
d) Technology

MDF is made of Eucalyptus, alwana, mango wood, and other Agro Forestry wood fibres which are boned under high pressure using thermosetting resins, to create a strong, uniform board at our state-of-the-art manufacturing facilities with the latest German technology.

e) End - Users

The end – user includes residential, commercial, Industrial application, packaging and transportation. Residential sector is the dominant end – user.

2) Decorative Laminates



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

a) Raw Materials

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

Water

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

b) Electricity

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

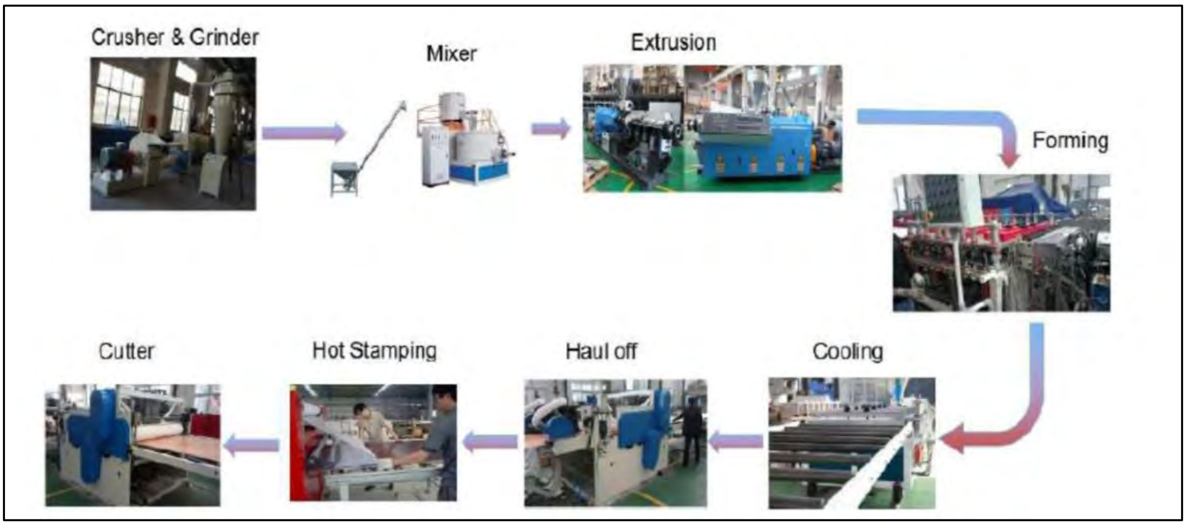
c) Technology

VIR High Pressure Laminate (**"HPL"**) is crafted from distinctively selected decorative papers and absorbent Kraft paper infused with melamine and phenolic resins. HPL holds superior dimensional stability as it is pressed and hardened under heat and high pressure. This makes VIR laminates resistant against scratches, stains and even boiling water. Available in 1200 plus designs/SKUs, these laminates can take on the wear and tear of time.

f) End - Users

The end – user includes residential, commercial, Industrial application, packaging and transportation. Residential sector is the dominant end – user.

3) PVC Foam Board



PVC foam board is manufactured in our manufacturing unit situated in Karnataka; following are the details of the utilities, which are installed in our manufacturing unit:

a) Raw Materials

PVC foam board are prepared by using raw materials like PVC resin, Calcium Carbonate ($CaCO3$), and auxiliary chemicals. These raw materials are mixed together in proportion depending upon the density required of the final product.

b) Water

Water in our Karnataka manufacturing unit is supplied by Karnataka Industrial Area Development Board and bore well installed in the manufacturing unit.

c) Electricity

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

d) Technology

Latest technical processing unit has enhanced its quality of high resistance to heat, moisture, sunlight and other environmental factors.

e) End - Users

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

PLANT AND MACHINERY

All our manufacturing units are equipped with various machinery, technology and equipment for the purpose of effectively carrying out our manufacturing process.

REVENUE BREAK -UP

The product-wise revenue of the Company and its breakup is as under:

(₹ in lakhs)

Sr. No	Particulars	For the period ended September 30, 2022		FY 2021-22		FY 2020-21	
		Amount	%	Amount	%	Amount	%
A.	Decorative Laminated Sheets	9,629.55	23.25%	17,963.89	28.78%	16,410.54	48.92%
	Add: License due Income	325.65	0.79%	582.01	0.93%	833.19	2.48%
	Total (A)	**9,955.20**	**24.04%**	**18,545.90**	**29.71%**	**17,243.73**	**51.41%**
B.	Medium Density Fibre Board	30,761.27	74.27%	42,963.78	68.83%	15,533.60	46.31%
	Add: License due Income	204.11	0.49%	141.50	0.23%	0.61	0.00%
	Total (B)	**30,965.38**	**74.76%**	**43,105.28**	**69.06%**	**15,534.21**	**46.31%**
C.	PVC Foam Board **(C)**	496.67	1.20%	765.72	1.23%	766.45	2.28%
	Total (A+B+C)	**41,417.25**	**100.00%**	**62,416.90**	**100.00%**	**33,544.38**	**100.00%**

For further details, please refer to the section titled *"Financial Information"* beginning on page 104 of this Draft Letter of Offer.

OUR MAJOR CUSTOMERS

We have a revenue mix of institutional sales and retail sales. We majorly sell our finished products to various wholesalers i.e. distributors, dealers and sub-dealers. As a result, we do not have customer concentration risk. Further, we are focusing on augmenting retail sales, alongside winning more business from the government and institutional sectors.

The following is the revenue breakup of the top five and top ten customers of our Company for the period mentioned is as follows:

(₹ in Lakhs)

Particulars	For the period ended September 30, 2022		For the year ended March 31, 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
Top 5	7,496.55	18.10	9,338.37	14.96
Top 10	11,956.88	28.87	15,687.44	25.13

INVENTORY MANAGEMENT, WAREHOUSING AND LOGISTICS

Distribution and Marketing Network

We have a nationwide and global marketing and distribution network of direct distributors/dealers and branches & consignments for Laminated Sheets and MDF Board. Following are the details as on and November 30, 2022:

Sr. No	Particulars	Laminated Sheets	MDF Board
1	Direct distributors / Dealers	1,014	676
2	Branches and Consignments Stockists	20	9

UTILITIES, INFRASTRUCTURE & LOGISTICS

Power

Each of our manufacturing units in Gujarat receives power supply from Uttar Gujarat Vij Company Limited. Our manufacturing unit situated at Karnataka receives power supply from Mangalore Electricity Supply Company (MESC) and Manikaran Power Limited. For our manufacturing unit situated at Andhra Pradesh, we we are using the electricity from Manikaran Power Limited and Eastern Power Distribution Company of AP Limited.

Steam/Fuel

We have installed smoke cum tube boiler in our manufacturing units situated in Gujarat, Andhra Pradesh and Karnataka. We use coal, waste wood, agro waste etc. as fuel for the boilers, further the steam generated from the boiler is used to run the dryer and press machine as well as in effluent treatment plant. We have installed ESP System at our Andhra Pradesh Plant as pollution prevention measure.

Water

Our manufacturing unit situated in Gujarat get their water supply from Gujarat Industrial Development Corporation. In case of any additional requirement the water is sourced from local vendors. Water for the manufacturing unit situated at Karnataka is supplied by Karnataka Industrial Area Development Board and we have also installed a bore well in the manufacturing unit. For our manufacturing unit situated at Andhra Pradesh, the water is supplied by the Andhra Pradesh Industrial Infrastructure Corporation Limited in the state of Andhra Pradesh

Inventory Management

Our finished products are stored on-site at our manufacturing facility and at our depot. We generally store sufficient stock of finished goods at our production facilities and depot. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders. Our expected orders have historically been confirmed due to the stable long-standing relationships that we have with our direct customers and dealers.

Our production and inventory levels of our finished products are planned on a periodic basis based on the projected sales volumes and we make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at each of our manufacturing facilities. Further, for raw materials, we maintain different inventory levels depending on lead time required to obtain additional supplies.

Logistics

The strategic location of Karnataka and Andhra Pradesh unit provides proximity to vast agro-forest resources and helps to market the product in the south Indian markets. The Thin & Thick MDF Manufacturing unit, located in Andhra Pradesh is close to the Gangavaram port is thereby facilitating procurement of raw material at a lower logistic cost and also enables convenient international access which enables export business easy. Vishakhapatnam railway station is also 65 Km away from the project site. Our manufacturing units are located in states we believe offers potential market for our products thus reducing the logistical costs associated with delivery. The manufacturing facilities located at Mansa, Gujarat is nearest to Ahmedabad enabling easy procurement of raw materials and supply of finished goods to markets.

Information Technology

Our Company has sufficient IT infrastructure to generate various MIS reports required for Accounts, Finance control and operational control. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements and maintaining secure enterprise operations.

Waste Management

The Company has taken membership of Saurashtra Enviro Projects Private Limited, an integrated common hazardous waste management facility for all three units situated at Gujarat.

For the manufacturing unit situated at Andhra Pradesh, we have set up an energy plant (i.e., boiler plant) which uses waste wood, trimmed waste from plant, wood dust and converts the same into energy. The energy generated can be used to operate dryers installed in the manufacturing unit and can be used to supply heat for carrying out other supplementary functions of the unit.

Warehouses and Godowns

Our Company have warehouses and godown at various cities such as Delhi, Kolkata, Hyderabad, Bangalore and Chikmagalur for the storage of our products.

For storage of raw material and finished products of laminates, we have rented on godown and one warehouse in Gujarat, on a leave and license basis from one of our Group Companies (Ratnatej Infrastructure Private Limited) and Mr Rushil Thakkar members of our Promoter Group.

Capacity Installed and Capacity Utilized

Set forth is the detail of the installed and utilized capacity of our manufacturing unit as for unaudited financial results limited review six months period ended September 30, 2022 and for the financial year ended on March 31, 2022 and March 31, 2021 as mentioned below:-

Particulars	For Period Ended September 30, 2022	March 31, 2022	March 31, 2021
Laminates			
Installed Capacity (in no. of sheets)	17,46,000	34,92,000	34,92,000
Actual Utilized Capacity (in no. of sheets)	14,69,969	27,80,857	27,24,309
% Utilization	84.2	79.6	78.0
MDF Board			
Installed Capacity (in CBM)	1,65,000	3,30,000	1,08,400*
Actual Utilized Capacity (in CBM)	1,23,598	2,03,382	74,466
% Utilization	74.9	61.6	68.7
PVC Foam Board			
Installed Capacity (in MT)	2880	5760	5760
Actual Utilized Capacity (in MT)	363	743	789
% Utilization	12.6	12.9	13.7

MDF installed capacity for FY 20-21 is calculated as follows
*Karnataka Unit - 300 CBM per day + Andhra Pradesh Unit - 800 CBM per day *23 days (plant put to use on 05.03.21)*

QUALITY CONTROL

The Company has quality assurance and control team which consists of 42 (Forty Two) qualified and experienced professionals. Quality Assurance and Control Team is responsible for monitoring the functions of all three units at Gujarat. Our Company following SOPs for achieving optimum quality of our products. SOPs have been prepared based on principle prescribed by ISO standard. Our Company has been awarded with ISO 9001:2015 for Quality Assured, ISO 45001:2018 for Health and Safety and ISO14001:2015 for Environmental System.

We inspect the raw materials we receive, work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Each of our manufacturing facilities has laboratories and personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly at all stages to ensure top notch quality.

COLLABORATIONS

We have not entered into technical, marketing or financial collaboration.

CORPORATE SOCIAL RESPONSIBILITY

At Rushil Decor Ltd., we believe in balancing business stability with sustainability that will help the society to grow. We consider Corporate Social Responsibility (CSR) as a core part of our business, with an objective of benefiting the society and the community we thrive in. We focus in the areas of education, serving to the orphanage, contributing towards the environment, and providing health facility to the needy. In doing so, we are leaving behind a positive and sustainable footprint, by making difference to the society.

The CSR initiatives of the Company, during the financial year 2021-22 carried out in areas of Promoting Education including construction of school building, Environment balancing, Preventive Health Care and Sanitation, Eradicating Hunger, Poverty and Malnutrition (food supply), Old age home and such other facilities for senior citizen, Rural Development etc. These activities are in accordance with Schedule VII of the Companies Act, 2013 and CSR Policy of the Company.

During the year, the Company has spent an amount of ₹ 31,58,215/- on the CSR activities upto 31st March, 2022 against the CSR obligation of ₹ 40,83,007/- and has deposited ₹ 19,07,000/- in respect of an ongoing project in Unspent CSR Expenses Account opened with Bank of Baroda in the month of April, 2022.

MARKETING, BRANDING & ADVERTISING

Our Company has marketing and brand strategy for its products. Our Company regularly invites selected distributors and dealers at plants to inform them about the new developments or of the introduction of new products. This enables to gain confidence of the distributors and dealers to promote the product. The interaction with the distributors and dealers is helpful to get the market feedback and change the product as per the customer‘s requirement.

Our Company also organized various meets with group of carpenters, dealers, distributors for marketing our existing and new products developments.

We also promote below the level (BTL) Activities like Dealer/distributor Boards, posters, Danglers, signboards. We have launched television campaign for **VIR MAXPRO** which is one of the products of **VIR MDF**.

We are also working on Digital marketing activities on Facebook, Instagram, twitter and LinkedIn. We have appointed agency for search engine optimization of www.virlaminate.com and www.vir-mdf.com, this enable us to get higher rank on google search.

COMPETITION

Our major competitors in Laminates are, Greenlam Industries Limited, Century Plyboards (I) Limited , Stylam Industries Limited and Alfa Ica (India) Limited. Our major competitors in MDF are Century Plyboards (I) Limited, Green panel Industries Limited, Greenply Industries Limited, Action Tesa and Manglam Timber Products Limited.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As at November 30, 2022, we have employees including our directors and other staff, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Sr. No	Description	No. of Employees
1	Top Management Personnel including Key Management Personnel	9
2	Finance and Accounts Personnel	54
3	Secretarial and Legal Personnel	3
4	Human Resources, PR and Admin Personnel	28
5	Production, operation, Quality control and maintenance Personnel	411
6	Sales and Marketing Personnel	168
7	Purchase and Project Personnel	7
8	Information Technology Personnel	8
9	Branding Personnel	5
10	Import & Export Personnel	7
11	Stores, Security and others	33
	Total	**733**

OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

Our Board of Directors

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than three Directors and not more than fifteen Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Letter of Offer, our Board comprises 6 (Six) Directors, of which 1 (one) Director is Managing Director, 2 (two) Directors are Whole-time Directors, and 3 (three) Directors are Independent Directors including 1 (one) woman Director. The composition of our Board is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

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

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Krupesh Ghanshyambhai Thakkar **DIN:** 01059666 **Date of Birth:** October 21, 1970 **Designation:** Chairman and Managing Director **Address:** 18, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India **Occupation:** Business **Term:** For a period of five (05) years w.e.f. September 01, 2022 **Nationality**: Indian	52	i. Association of Indian Panelboard Manufacturer (Section 8 Company); and ii. Ratnatej Infrastructure Private Limited
Rushil Krupesh Thakkar **DIN:** 06432117 **Date of Birth:** September 29, 1992 **Designation:** Whole-time Director **Address:** 18, Pushpdhanwa Bunglows, Opposite Taxshila Flats, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India **Occupation:** Business **Term:** For a period of five (05) years w.e.f. August 13, 2021 and liable to retire by rotation **Nationality:** Indian	30	i. Ghanshyam Forwarder Private Limited; ii. Surya Panel Private Limited; iii. Vir Studdio Private Limited (OPC); iv. Vir Decorative Sheets Private Limited; v. Ratnatej Infrastructure Private Limited; vi. R Surya Panel Private Limited; and vii. Indian Laminate Manufacturer Association (Section 8 Company).
Ramanik Tejabhai Kansagara **DIN:** 08341541 **Date of Birth:** September 15, 1963 **Designation:** Whole-time Director **Address:** F-204, Mangalmurti Apartment, Near Siddhivinayak Bunglows, Pethapur, Gandhinagar – 382 610, Gujarat, India.	59	Nil

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Occupation: Professional **Term:** For a period of four (04) years w.e.f. August 01, 2020 and is liable to retire by rotation. **Nationality:** Indian		
Shankar Prasad Bhagat **DIN:** 01359807 **Date of Birth:** June 10, 1951 **Designation:** Independent Director **Address:** A-9, Sharin Park, Bodakdev Ahmedabad- 380 054, Gujarat, India. **Occupation:** Professional **Term:** For a period of five (05) years w.e.f. September 21, 2019 **Nationality:** Indian	71	i. Minal Industries Limited
Kantilal Ambalal Puj **DIN:** 09273355 **Date of Birth:** May 2, 1949 **Designation:** Independent Director **Address:** 2, Neetibaug Judges Co Op Housing Society, Off S G Highway, Opp. Gujarat High Court, Sola, Ahmedabad – 380 060, Gujarat India **Occupation:** Self-employed **Term:** For a period of five (05) years w.e.f. August 13, 2022 **Nationality:** Indian	73	Nil
Shreyaben Milankumar Shah **DIN:** 09726000 **Date of Birth:** December 18, 1993 **Designation:** Independent (Additional) Director **Address:** 20/9, 8, Dharmottam Bunglows, Reliance Petrol Pump, Prahladnagar, Ahmedabad – 380 015, Gujarat, India **Occupation:** Professional **Term:** For a period of five (05) years w.e.f. November 8, 2022, subject to approval of the Shareholders **Nationality:** Indian	29	Nil

Confirmations

1. Except as stated below, none of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company:

Name of the Director:	Shankar Prasad Bhagat, Independent Director
Name of the company :	Minal Industries Limited
Listed on :	BSE
Date of suspension on the stock exchange :	December 21, 2015. Pursuant to notice dated October 18, 2019, BSE reaffirmed the suspension against Minal Industries Limited.
Reasons for suspension :	Suspension for penal reasons for not complying with certain clauses of the Listing Agreement.
Period of suspension :	The suspension is still subsisting.
Term of the director in Minal Industries Limited :	Shankar Prasad Bhagat has been on the board of Minal Industries since April 02, 2012. He is still a director on the board of the said company.

2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past ten years from the date of this Draft Letter of Offer.

Our Key Managerial Personnel

In addition to our Managing Director and Whole-time Director, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

Keyur Mohanbhai Gajjar, aged 51 years, is the Chief Executive Officer of our Company. He has been appointed as a Key Managerial Personnel of our Company with effect from August 7, 2014 and has been associated with our Company since April 1, 2005.

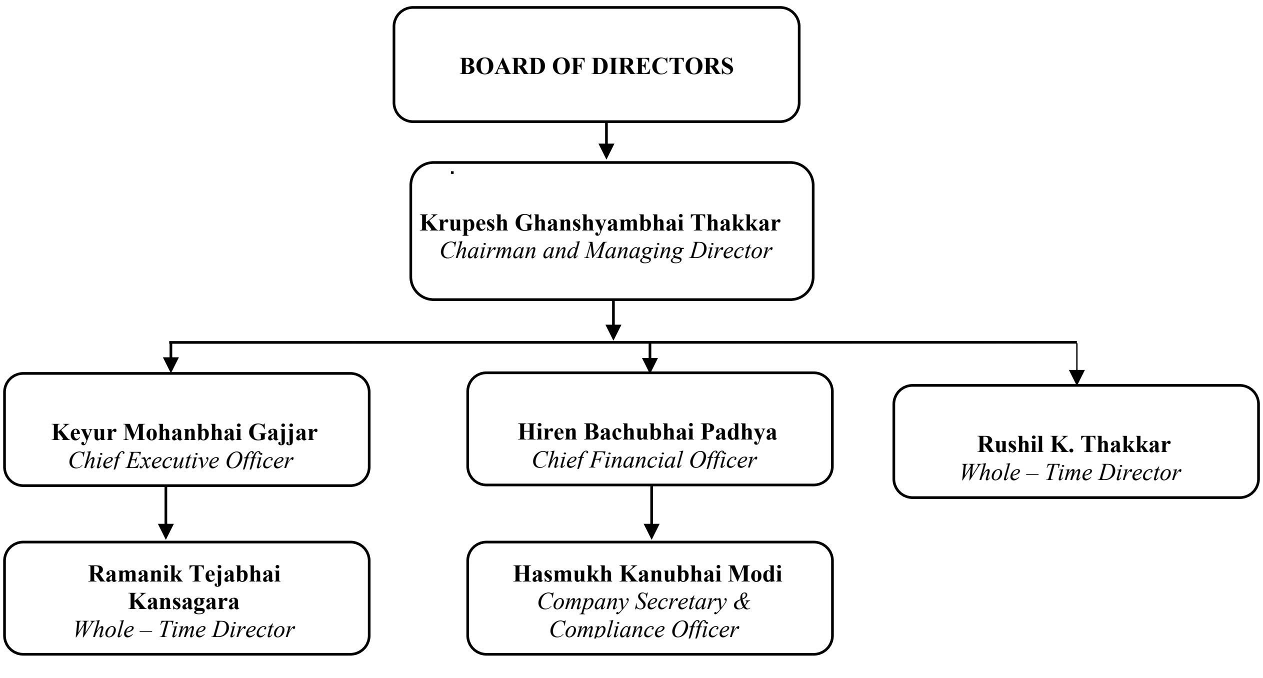
Hiren Bachubhai Padhya, aged 54 years, is the Chief Financial Officer of our Company. He has been associated with our Company since March 19, 2022 in the capacity of a Chief Financial Officer

Hasmukh Kanubhai Modi, aged 48 years, is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company with effect from October 13, 2007.

All our Key Managerial Personnel are permanent employees of our Company.

Management Organization Structure

Set forth is the organization structure of our Company:



SECTION V – FINANCIAL INFORMATION

FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Unaudited Limited Reviewed Financial Results for the six months period ended September 30, 2022.	105
2.	Audited Financial Statements as at and for the year ended March 31, 2022.	112

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Pankaj R. Shah & Associates
Chartered Accountants

CA. Dr. Pankaj Shah. B.Com., F.C.A., Ph.D.(Commerce) | CA. Chintan Shah B.Com., L.L.B., F.C.A. | CA. Nilesh Shah B.Com., L.L.B., F.C.A. | CA. Manali Shah B.Com., F.C.A. | CA. Sandip Gupta B.Com., F.C.A.

7th Floor, Regency Plaza, Opp. Rahul Tower, Near Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad - 380015. India. Phone : +91-79-2693 1024, 2693 1026, 2693 2587, Fax : +91-79-2693 2874 URL : http://www.prsca.in

Independent Auditors Review Report on the Quarterly & Year to date Unaudited Financial Results of the Company pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended

Review Report to,
The Board of Directors
RUSHIL DÉCOR LIMITED

We have reviewed the accompanying statement of unaudited financial results of **RUSHIL DÉCOR LIMITED** (the "company") for the quarter and Three months ended on 30th September, 2022. and year to date from 01st April 2022 to 30th September 2022. (the "statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations & Disclosure Requirements) Regulation,2015, (the Regulation) as amended, (the "Listing Regulations").

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013, as amended read with relevant rules issued there under and other accounting principles generally accepted in India, read with the circular is the responsibility of the Company's Management and approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the statement based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (" Ind AS") as specified under Section 133 of Companies Act, 2013 as amended, read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: 08-11-2022
Place: Ahmedabad

For, Pankaj R Shah & Associates
Chartered Accountants
Registration No.107361W

PANKAJ R. SHAH & ASSOCIATES * AHMEDABAD * CHARTERED ACCOUNTANTS

N. R. Shah

CA Nilesh Shah
Partner
Membership No.107414
UDIN: 22107414BCMFTU4893

RUSHIL
DECOR LIMITED
WE'LL MAKE IT

RUSHIL DECOR LIMITED

Regd. Office: S. No.125, Near Kalyanpura Patia, Vill. Itla, Gandhinagar Mansa Road. Tal. Kalol. Dist. Gandhinagar -382845, Gujarat, India

(Rs In lacs)

Statement of Unaudited Financial Results for the Quarter and half year ended 30th September, 2022

Sr No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1	Income						
	a) Revenue from operations	20339.34	21077.91	17132.12	41417.25	26231.18	62416.90
	b) Other income	44.92	17.00	19.96	61.92	38.06	141.24
	Total Income	20384.26	21094.91	17152.08	41479.17	26269.24	62558.14
2	Expenses						
	a) Cost of materials consumed	10301.76	10539.28	9218.74	20841.04	16126.11	35971.86
	b) Purchases of Stock-in-Trade	-	-	52.89	-	66.89	205.56
	c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(1,097.19)	(1,042.58)	(65.72)	(2,139.77)	(2,924.40)	(4,532.26)
	d) Employee benefits expense	1178.88	1091.88	1029.83	2270.76	1989.06	4073.95
	e) Finance costs	564.56	486.63	576.46	1051.19	1164.03	2030.84
	f) Depreciation and amortization expense	648.05	611.82	602.34	1259.87	1192.18	2436.81
	g) Other expenses	5243.32	5737.17	4706.08	10980.50	8632.65	19303.66
	Total expenses	16839.38	17424.20	16120.62	34263.59	26246.53	59490.42
3	Profit before exceptional items and tax (1-2)	3544.88	3670.71	1031.46	7215.58	22.71	3067.71
4	Exceptional Items	-	-	-	-	-	-
5	Profit before tax (3+4)	3544.88	3670.71	1031.46	7215.58	22.71	3067.71
6	Tax expense:						
	a) Current tax	640.09	361.73	-	1,001.82	-	-
	b) Deferred tax	236.87	588.86	263.01	825.73	12.57	787.25
	Total	876.95	950.59	263.01	1827.55	12.57	787.25
7	Net Profit (+)/Loss (-) for the period (5-6)	2667.92	2720.11	768.45	5388.03	10.14	2280.47
8	Other Comprehensive Income, net of tax (OCI)						
	a) Items that will not be reclassified to profit or loss	(2.47)	(2.47)	(7.94)	(4.95)	(15.88)	(9.90)
	b) Income tax relating to items that will not be reclassified to profit or loss	0.62	0.62	2.00	1.25	4.00	2.49
	Total	(1.85)	(1.85)	(5.94)	(3.70)	(11.88)	(7.41)
9	Total Comprehensive Income for the period (7+8)	2666.07	2718.26	762.51	5384.33	-1.74	2273.06
10	Paid up equity share capital (Face value of Rs 10/- each)	1990.63	1991.00	1989.23	1990.63	1989.23	1991.00
11	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet	-	-	-	-	-	26687.69
12	Earnings per share (Face value of Rs 10/- each) (Not Annualised)						
	(1) Basic	13.40	13.66	3.86	27.07	0.05	11.45
	(2) Diluted	13.40	13.66	3.86	27.07	0.05	11.45

For, Rushil Decor Limited

Krupesh G. Thakkar
Chairman and Managing Director
DIN:01059666

Place: Ahmedabad
Date: 8th November, 2022

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

RUSHIL DECOR LTD. AHMEDABAD

RUSHIL DECOR LTD., RUSHIL HOUSE, NEAR NEELKANTH GREEN BUNGALOW, OFF SINDHU BHAVAN ROAD, SHILAJ, AHMEDABAD-380058, GUJARAT, INDIA.
REGD. OFFICE: S. NO. 125, NEAR KALYANPURA PATIA, VILLAGE ITLA, GANDHINAGAR-MANSA ROAD, TA. KALOL, DIST. GANDHINAGAR-382845, GUJARAT, INDIA. I CIN: L25209GJ1993PLC019532
PH: +91-79-61400400 I FAX: +91-79-61400401 I EMAIL: INFO@RUSHIL.COM I WWW.RUSHIL.COM

VIR LAMINATE
VIR MDF

RUSHIL
DECOR LIMITED
WE'LL MAKE IT

Segmentwise Reporting for the Quarter and Half Year endned 30th September,2022

(Rs in lacs)

Sr No	Particulars	Quarter Ended			Half Year Ended		Year ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1	Segment Revenue (Gross)						
a	Laminates & allied products	5,281.78	4,764.64	5,078.14	10,046.42	9,261.78	18,974.36
b	Particle Board	-	-	-	-	-	-
c	Medium Density Fiber Board	14,900.78	16,083.81	12,100.37	30,984.59	17,052.16	43,442.64
d	Polyvinayl Chloride Board	235.38	261.29	170.07	496.67	254.02	765.72
e	Medium Density Fiber Board - AP Unit	-					
e	Unallocated	-	-	-	-	-	
	Total	20,417.93	21,109.74	17,348.58	41,527.67	26,567.96	63,182.72
	Less: Inter segment revenue	78.60	31.83	216.45	110.42	336.78	765.82
	Gross sales from Operations	20,339.34	21,077.91	17,132.13	41,417.25	26,231.18	62,416.90
2	Segment Results						
	(Profit) (+)/ (Loss (-) before Tax and						
a	Laminates & allied products	290.88	238.96	242.06	529.84	461.48	1,098.90
b	Particle Board	-	-	-	-	-	-
c	Medium Density Fiber Board	3,831.91	3,908.75	1,433.07	7,740.66	874.07	4,336.41
d	Polyvinayl Chloride Board	(13.35)	9.62	(27.79)	(3.73)	(78.78)	(186.75)
e	Medium Density Fiber Board - AP Unit	-					
e	Unallocated	-		-			
	Total	4,109.43	4,157.34	1,647.34	8,266.77	1,256.77	5,248.56
	Less:						
I	Interest	564.56	486.63	576.46	1,051.19	1,164.03	2,030.84
ii	Other Unallocable expenditure	-	-	39.42	-	70.03	150.01
	Add:						
i	Unallocable Income	-	-	-	-	-	-
	Total Profit Before Tax	3,544.87	3,670.71	1,031.46	7,215.58	22.71	3,067.71
3a	Segment Assets						
	a) Laminates & allied products	18,068.99	17,866.13	16,785.26	18,068.99	16,785.26	17,771.17
	b) Particle Board	256.84	256.84	256.84	256.84	256.84	256.84
	c) Medium Density Fiber Board	75,997.72	70,078.14	65,824.28	75,997.72	65,824.28	68,003.57
	d) Polyvinayl Chloride Board	2,611.10	2,641.36	2,683.08	2,611.10	2,683.08	2,644.43
	e) Unallocated	-	-	-	-	-	-
	Total Segment Assets	96,934.65	90,842.46	85,549.46	96,934.65	85,549.46	88,676.01
3b	Segment Liablilties						
	a) Laminates & allied products	6,767.59	5,218.71	7,260.53	6,767.59	7,260.53	6,489.25
	b) Particle Board	41.19	41.49	42.50	41.19	42.50	41.80
	c) Medium Density Fiber Board	14,383.43	14,298.14	11,608.29	14,383.43	11,608.29	11,356.32
	d) Polyvinayl Chloride Board	65.89	180.72	116.73	65.89	116.73	147.79
	e) Unallocated	-	-	-	-	-	-
	Total Segment Liablilties	21,258.10	19,739.07	19,028.06	21,258.10	19,028.06	18,035.16

N.R. Shah

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

RUSHIL DECOR LTD. AHMEDABAD

Place: Ahmedabad
Date: 8th November, 2022

For, Rushil Decor Limited

Krupesh G. Thakkar
Chairman and Managing Director
DIN:01059666

VIR LAMINATE

VIR MDF

RUSHIL DÉCOR LTD., RUSHIL HOUSE, NEAR NEELKANTH GREEN BUNGALOW, OFF SINDHU BHAVAN ROAD, SHILAJ, AHMEDABAD-380058, GUJARAT, INDIA.
REGD. OFFICE: S. NO. 125, NEAR KALYANPURA PATIA, VILLAGE ITLA, GANDHINAGAR-MANSA ROAD, TA. KALOL, DIST. GANDHINAGAR-382845, GUJARAT, INDIA. I CIN: L25209GJ1993PLC019532
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RUSHIL
DECOR LIMITED
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Statement of Assets and Liabilities

(Rs in lacs)

S.No.	Particulars	As on 30.9.2022 (Unaudited)	As on 31.3.2022 (Audited)
	ASSETS		
1)	**Non-current assets**		
a)	Property, Plant and Equipment	62884.85	59347.50
b)	Capital work-in-progress	14.21	47.24
c)	Other Intangible assets	687.20	32.86
d)	Financial Assets		
(i)	Investments	1.25	1.25
(ii)	Trade receivables	226.45	238.76
(iii)	Loans	8.26	8.26
(iv)	Other financial assets	1030.10	1022.93
e)	Deferred tax assets (net)		
f)	Other non-current assets	502.43	312.02
	Sub-Total Non-current assets	65354.74	61010.81
2)	**Current assets**		
a)	Inventories	18302.65	15542.36
b)	Financial Assets		
(ii)	Trade receivables	10027.90	8255.92
(iii)	Cash and cash equivalents	53.76	51.50
(iv)	Bank balances other than (iii) above	571.08	558.47
(v)	Loans	-	-
c)	Other current assets	2624.52	3256.95
	Sub-Total Current assets	31579.91	27665.20
	TOTAL ASSETS	96934.65	88676.01
	EQUITY & LIABILITIES :		
	EQUITY:		
a)	Equity Share capital	1990.70	1991.00
b)	Other Equity	31972.22	26687.69
	LIABILITIES :		
1)	Non-Current Liabilities		
a)	Financial Liabilities		
(i)	Borrowings	28417.58	28617.72
(ii)	Other financial liabilities (other than those specified in item (b), to be specified)	884.08	872.56
b)	Provisions	291.40	250.77
c)	Deferred tax liabilities (Net)	4438.98	3614.50
d)	Other non-current liabilities	600.56	735.68
	Sub-Total Non-Current Liabilities	34632.60	34091.23
2)	Current liabilities		
a)	Financial Liabilities		
(i)	Borrowings	13296.04	13344.44
(ii)	Trade payables		
	- dues to micro and small enterprises	570.33	453.97
	- dues to other than micro and small enterprises	8894.91	8335.71
(iii)	Other financial liabilities (other than those specified in item (c)	44.77	100.84
b)	Other current liabilities	2864.84	1326.96
c)	Provisions	1903.57	2344.18
d)	Current Tax Liabilities (Net)	764.66	-
	Sub-Total Current Liabilities	28339.12	25906.09
	Total Equity and Liabilities	96934.65	88676.01

For, Rushil Decor Limited

Place: Ahmedabad
Date: 8th November, 2022

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

N.R. Shah

RUSHIL DECOR LTD. AHMEDABAD

Krupesh G. Thakkar
Chairman and Managing Director
DIN 01059666

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RUSHIL
DECOR LIMITED
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Unaudited Standalone Cash Flow Statement for the half year ended 30th September, 2022 (Rs in lacs)

Particulars	Half Year Ended	
	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)
(A)Cash Flow From Operating Activities		
Profit before tax as per Standalone Statement of Profit & Loss	**7,215.58**	**22.71**
Adjustments for		
Re-measurement gain/(loss) on defined benefit plans	(4.95)	(15.88)
Depreciation and amortization expense	1,259.87	1,192.18
Interest and Finance cost	1,051.19	1,164.03
(Profit)/Loss on disposal of Property, Plant and Equipment	0.05	0.14
	2,306.16	2,340.47
Operating Profit Before Working Capital Changes	**9,521.74**	**2,363.18**
Adjustment for Change In:		
(Increase) / Decrease in Inventories	(2,760.29)	(4,878.99)
(Increase) / Decrease in Trade Receivables	(1,759.66)	(1,571.91)
(Increase) / Decrease In Financial Assets	(19.79)	454.40
(Increase) / Decrease in Other Assets	606.31	(284.10)
Increase / (Decrease) In Trade Payables	675.56	1,246.96
Increase / (Decrease) in Financial Liabilities	(44.55)	(14.95)
Increase / (Decrease) In Other Liabilities	1,443.40	550.95
Increase / (Decrease) in Short Term Provisions	(440.61)	675.16
	(2,299.63)	(3,822.48)
	7,222.10	(1,459.30)
Direct Taxes Paid (Net of Refunds)	(237.83)	(10.44)
Net Cash Generated From Operations	**6,984.27**	**(1,469.74)**
(B) Cash flow from Investing activities		
Purchase of Property, Plant and Equipment (including WIP & Pre-operative	(5,419.08)	(937.36)
Sale of Property, Plant and Equipment	0.50	1.50
Changes in Non Current Assets	(163.62)	1,312.24
Net Cash Generated From Investing Activities	**(5,582.20)**	**376.38**
(C) Cash Flow From Financing Activities		
Issue of share capital	(0.56)	15.79
Securities premium	-	72.87
Increase / (Decrease) in Long term borrowings	(200.14)	(812.60)
Increase / (Decrease) in Short term borrowings	(48.40)	3,065.18
Interest and Finance cost	(1,051.19)	(1,164.03)
Dividend Paid (Including Tax On Dividend)	(99.53)	(99.51)
Net Cash Generated From Financing Activities	**(1,399.81)**	**1,077.69**
Net Increase In Cash & Cash Equivalents	**2.26**	**(15.67)**
Cash & Cash Equivalents At		
Opening	**51.50**	**155.90**
Closing	**53.76**	**140.23**

For, Rushil Decor Limited

Place: Ahmedabad
Date: 8th November, 2022

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

N.R. Shah

RUSHIL DECOR LTD. AHMEDABAD

Krupesh G. Thakkar
Chairman and Managing Director
DIN:01059666

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Notes:

1. The above results have been reviewed by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meetings held on 8th November, 2022. The Statutory Auditors have carried out a Limited Review of the results for the quarter ended September 30, 2022.

2. The Company has distributed Final Dividend of Rs.0.50/- (Fifty Paise) per share (5%) (Face value of Rs.10/- per share) for the year ended March 31,2022 as approved by the Shareholders in 28th Annual General Meeting held on September 27,2022.

3. Previous year's/period's figure have been regrouped/rearranged wherever necessary.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

N. R. Shah

RUSHIL DECOR LTD. AHMEDABAD

For, Rushil Decor Limited

Krupesh G. Thakkar
Chairman and Managing Director
DIN: 01059666

Place: Ahmedabad
Date: 8th November, 2022

RUSHIL DÉCOR LTD., RUSHIL HOUSE, NEAR NEELKANTH GREEN BUNGALOW, OFF SINDHU BHAVAN ROAD, SHILAJ, AHMEDABAD-380058, GUJARAT, INDIA.

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Pankaj R. Shah & Associates
Chartered Accountants

CA. Dr. Pankaj Shah B.Com., F.C.A., Ph.D.(Commerce) | CA. Chintan Shah B.Com., L.L.B., F.C.A. | CA. Nilesh Shah B.Com., L.L.B., F.C.A. | CA. Manali Shah B.Com., F.C.A. | CA. Sandip Gupta B.Com., F.C.A.

7th Floor, Regency Plaza, Opp. Rahul Tower, Near Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad - 380015. India. Phone : +91-79-2693 1024, 2693 1026, 2693 2587, Fax : +91-79-2693 2874 URL : http://www.prsca.in

Independent Auditors' Report

To the Members of **RUSHIL DECOR LIMITED**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **M/s RUSHIL DECOR LIMITED** ("the Company"), which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies [Indian Accounting Standards] Rules, 2015 as amended ("Ind AS" and other accounting principles generally accepted in India, of the state of affairs (financial Position)of the Company as at March 31, 2022, and its Profits (financial performance including other comprehensive income), its Cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Matter

The comparative financial information of the company for the year ended 31st March 2021, included in these Standalone Financial Statements are based on the previously issued statutory standalone financial statements audited by predecessor auditors vide their report for the year ended 31st March 2021, dated 24th June 2021 expressed an unmodified opinion on those financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter:

1. **Revenue Recognition**

Refer Note 46 to the standalone Ind AS financial statements

Description of Key audit Matter	Our response and results
Revenue of the company comprises of sale of industrial and decorative laminates and sale of medium density fiber boards (plane and pre laminated) to its domestic and international customers. The company sells its products through a network of distributors and dealers in the relevant markets and a part of the sales is also made as institutional sales/project sales directly to the end use customers. Revenue recognition is a significant audit risk across the company. Specifically there is a risk that revenue is recognized on sale of goods before the control in the goods is transferred.	Our key audit procedures to assess the recognition of revenue on sale of goods included the following: • We assessed the appropriateness of the Company's revenue recognition policies, including those related to discounts and incentives; • We obtained an understanding of process and assessed the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of goods. We also tested the Company's controls over timing of revenue recognition; • We also tested, on a sample basis, whether specific revenue transactions around the year end had been recognized in the appropriate period on the basis of the terms of sale of the contract, particularly with reference to the transfer of control in the goods in question with regard to the year end transactions. • We inspected key customer contracts/ purchase orders to identify terms and conditions related to acceptance of goods and the right to return and assessing the Company's revenue recognition policies with reference to the requirements of the prevailing accounting standards;

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position),Profit or loss(financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due. to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are .free from material misstatement, whether due to fraud or error. and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if; individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

3. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,

   c. The standalone Balance Sheet, the standalone Statement of Profit and Loss including other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e. On the basis of written representations, received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31,2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed the impact of pending litigations as on 31.03.2022 on its financial position in the standalone Ind AS Financial Statements (Refer Note No 36 to the Standalone Ind AS Financial Statements.)

II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

IV. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

V. (a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The amount of dividend proposed is in accordance with section 123 of the act, as applicable.

For Pankaj R Shah & Associates
Chartered Accountants
(Firm Regn.No.107361W)

N. R. Shah

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

Place: Ahmedabad
Date: 24th May, 2022

CA Nilesh Shah
PARTNER
Membership No. 107414
UDIN: 22107414ALXUDI9116

ANNEXURE A

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **RUSHIL DECOR LIMITED** of even date)

With reference to the Annexure A, referred to in the Independent Auditors Report to the members of the Company on the Standalone IND AS financial statements for the year ended on 31st March 2022 , we report following :

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us, the property, plant and equipment. are verified in a phased manner by the management, during the year which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. As explained to us, there were no discrepancies of 10% or more in aggregate for each class on physical verification of inventory as compared to the book records.

(b) The Company has been sanctioned working capital limits (including fund based and non fund based limits) in excess of Rupees Five crores in aggregate from a bank on the basis of security of the current assets. Revised Quarterly returns or statements filed by the company with such bank are in agreement with the books of accounts of the company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii) (a), (c),(d),(e) and (f) of the order are not applicable.

(iv). According to the information and explanations given to us, the company has not made any investment or given guarantee or security during the year under review. Accordingly clause 3(iv) of the order is not applicable.

(v) The Company has not accepted any deposits from the public during the year under review. Accordingly, clause 3(v) of the Order is not applicable.

(vi). As explained to us, the Central Government has not prescribed the maintenance of Cost records under sub section (1) of section 148 of the companies Act 2013. Accordingly, clause (vi) of the Order is not applicable

(vii) (a) The company does not have liability in respect of Service Tax, Duty of excise, Sales tax and value added tax during the year since effective 1st July 2017, these statutory dues has been subsumed in to Goods & Service Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, Goods and Service Tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, duty of customs, Goods and Service Tax, cess and other material statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no material dues of Goods and Service Tax & Income tax which have not been deposited with the appropriate authorities on account of any dispute, However ,according to information and explanations given to us, the following dues of duties of Custom and Duty of Excise have not been deposited by the company on account of Dispute:

Nature of Statues	Nature of Dues	Amount ` in Lakhs (Net of payments)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act,1944	Excise Duty, Interest& Penalty	` 72.12 Lakhs	up to Sept-2012	Custom Excise & Service Tax Appellate Tribunal, Ahmedabad
The Customs Act 1962	Custom Duty with Interest & Penalty	` 22.56 Lakhs with Interest 5,00,000/- Penalty	FY 2014-15	Custom Excise & Service Tax Appellate Tribunal, Ahmedabad

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company ,there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to information & explanations given to us, the company has not defaulted in repayment of loans or borrowings or in the payment of interest to Banks and financial institutions. The company does not have any borrowings from debenture holders or Government.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company ,the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans obtained during the year by the company have been applied for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us, the company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us, The company does not have subsidiaries, associates or joint ventures. Accordingly ,clause 3(ix)(f) of the Order is not applicable.

(x) (a) In our opinion and according to the information & explanations given to us, the moneys raised by way of further public offer (rights issue) during the year have been applied for the purposes for which they were raised.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT - 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us, On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing Projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to subsection (5) if section 135 of the said Act, Accordingly reporting under clause 3(xx)(a) of the order is not applicable for the year.

(b) In respect of ongoing Projects, the company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year to a special account with in a period of 30 days from the end of the said financial year in compliance with the provisions of section 135(6) of the Act.

For Pankaj R Shah & Associates
Chartered Accountants
(Firm Regn.No.107361W)

N. R. Shah

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

CA Nilesh Shah
PARTNER
Membership No. 107414
UDIN: 22107414ALXUDI9116

Place: Ahmedabad
Date: 24th May, 2022

Annexure B to the Independent Auditor's Report of Even Date to the Members of RUSHIL DECOR LIMITED on the Standalone Ind AS Financial Statements for the year ended on 31st March 2022

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the standalone Ind AS financial statements of **M/s RUSHIL DECOR LIMITED** ("the Company") as at and for the year ended 31st March 2022, We have audited the internal financial controls over financial reporting of the company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For Pankaj R Shah & Associates
Chartered Accountants
(Firm Regn.No.107361W)

N.R.Shah

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

CA Nilesh Shah
PARTNER
Membership No. 107414
UDIN: 22107414ALXUDI9116

Place: Ahmedabad
Date: 24th May, 2022

RUSHIL DECOR LIMITED
CIN : L25209GJ1993PLC019532
Standalone Balance Sheet as at 31st March, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
(I) ASSETS			
(1) Non- current Assets			
(a) Property, Plant and Equipment	1	59347.50	58718.35
(b) Capital work-in-progress	1	47.24	103.92
(c) Other Intangible assets	2	32.86	2.65
(d) Financial Assets			
(i) Investments	3	1.25	1.25
(ii) Trade receivables	4	238.76	237.23
(iii) Loans	5	8.26	8.26
(iv) Other financial assets	5A	1022.93	660.30
(e) Other non-current assets	6	312.02	1859.80
Total Non- current Assets		**61010.81**	**61591.77**
(2) Current Assets			
(a) Inventories	7	15542.36	8427.23
(b) Financial Assets			
(i) Trade receivables	8	8255.92	5753.65
(ii) Cash and cash equivalents	9	51.50	155.90
(iii) Bank balances other than (ii) above	10	558.47	1007.43
(iv) Loans		-	-
(c) Current Tax Assets	11	35.77	11.99
(d) Other current assets	12	3221.18	3894.83
Total Current Assets		**27665.20**	**19251.03**
Total Assets :		**88676.01**	**80842.80**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	13	1991.00	1973.44
(b) Other Equity	14	26687.69	24441.28
Total Equity		**28678.69**	**26414.72**
(2) Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	28617.72	29521.11
(ii) Trade Payables			
- dues to micro and small enterprises		-	-
- dues to other than micro and small enterprises	16a	8.52	44.70
(iii) Other Financial Liabilities	16b	864.04	813.45
(b) Provisions	17	250.77	238.34
(c) Deferred tax liabilities (Net)	18	3614.50	2829.74
(d) Other non-current liabilities	19	735.68	901.96
Total Non-Current Liabilities		**34091.23**	**34349.30**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	13344.44	8345.60
(ii) Trade payables			
- dues to micro and small enterprises	21	453.97	168.32
- dues to other than micro and small enterprises	21	8335.71	7816.15
(iii) Other financial liabilities	22	100.84	114.35
(b) Other current liabilities	23	1326.96	2555.78
(c) Provisions	24	2344.18	1078.58
(d) Current Tax Liabilities (Net)	25	-	-
Total Current Liabilities		**25906.09**	**20078.78**
Total Equity and Liabilities :		**88676.01**	**80842.80**

The accompanying Notes 1 to 63 are integral part of these Standalone Financial Statements.
As per our report of even date attached.

For Pankaj R Shah & Associates
Chartered Accountants
(Firm Regn.No.107361W)

N. R. Shah

CA Nilesh Shah
Partner
Membership No.107414
UDIN: 22107414ALXUDI9116

PANKAJ R SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

For and on behalf of the Board of Directors,
Rushil Décor Limited

[Krupeshbhai G. Thakkar]
Chairman
DIN :01059666

[Rushil K. Thakkar]
Director
DIN :06432117

[K. M. Gajjar]
Chief Executive Officer

[H. B. Padhya]
Chief Financial Officer

[H. K. Modi]
Company Secretary

PLACE : AHMEDABAD
DATE : 24th May, 2022

RUSHIL DECOR LIMITED
CIN : L25209GJ1993PLC019532
Standalone Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in Lakhs)

Sr. No	Particulars	Note No.	Year ended 31st March,2022	Year ended 31st March,2021
I	Revenue from Operations	26	62416.90	33544.38
II	Other Income	27	141.24	432.27
III	Total Income (I +II)		**62558.14**	**33976.66**
IV	Expenses:			
(a)	Cost of Materials Consumed	28	37010.97	17422.43
(b)	Purchases of Stock-in-Trade	29	205.56	174.32
(c)	Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	30	-4532.26	565.94
(d)	Employee Benefits Expense	31	4073.95	2682.25
(e)	Finance Costs	32	2030.84	1241.90
(f)	Depreciation and Amortization Expense		2436.81	973.24
(g)	Other Expenses	33	18264.55	9202.26
	Total Expenses (IV)		**59490.43**	**32262.36**
V	Profit before exceptional items and tax(III- IV)		**3067.71**	**1714.30**
VI	Exceptional Items (Refer Note No. 49)		-	152.18
	Profit before tax (V+VI)		**3067.71**	**1866.48**
VII	Tax expense :	34		
	(1) Current Tax (Including Short/Excess provision of earlier years)		-	0.95
	(2) Deferred Tax		787.25	493.69
	Total Tax Expenses (VII)		**787.25**	**494.65**
VIII	Profit for the period (VI -VII)		**2280.47**	**1371.83**
IX	Other Comprehensive Income (OCI)			
	A (i) Items that will not be reclassified to profit or loss		-9.90	-31.76
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2.49	7.99
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income (IX)		**-7.41**	**-23.76**
X	Total Comprehensive Income for the period (VIII + IX) (Comprising Profit and Other Comprehensive Income for the period)		**2273.06**	**1348.07**
XI	Earnings per equity share (Face Value of ₹ 10/- each) Basic & Diluted (Refer Note No. 35) (₹)	35	**11.45**	**8.11**

The accompanying Notes 1 to 63 are integral part of these Standalone Financial Statements.

As per our report of even date attached.

For Pankaj R Shah & Associates
Chartered Accountants
(Firm Regn.No.107361W)

N.R.Shah

SHAH & ASSOCIATES CHARTERED ACCOUNTANTS PANKAJ AHMEDABAD

CA Nilesh Shah
Partner
Membership No. 107414
UDIN: 22107414ALXUDI9116

For and on behalf of the Board of Directors,
Rushil Decor Limited

[Krupeshbhai G. Thakkar]
Chairman
DIN :01059666

[Rushil K. Thakkar]
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Modi
[H. K. Modi]
Company Secretary

PLACE : AHMEDABAD
DATE : 24th May, 2022

RUSHIL DECOR LIMITED
CIN : L25209GJ1993PLC019532
Standalone Statement of Cash Flow for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
(A)Cash Flow From Operating Activities		
Profit before tax as per Standalone Statement of Profit & Loss	**3067.71**	**1866.48**
Adjustments for		
Re-measurement gain/(loss) on defined benefit plans	-9.90	-31.76
Depreciation and amortization expense	2436.81	973.24
Interest and Finance cost	2030.84	1241.90
(Profit)/Loss on disposal of Property, Plant and Equipment	0.26	-150.75
	4458.01	**2032.63**
Operating Profit Before Working Capital Changes	**7525.73**	**3899.11**
Adjustment for Change In:		
(Increase) / Decrease in Inventories	-7115.12	131.22
(Increase) / Decrease in Trade Receivables	-2503.81	355.87
(Increase) / Decrease in Financial Assets	86.34	-488.76
(Increase) / Decrease in Other Assets	672.60	704.67
Increase / (Decrease) in Trade Payables	769.03	716.91
Increase / (Decrease) in Financial Liabilities	37.08	2139.12
Increase / (Decrease) in Other Liabilities	-1382.68	-5.11
Increase / (Decrease) in Short Term Provisions	1265.59	563.17
	-8170.96	**4117.09**
	-645.23	**8016.20**
Direct Taxes Paid (Net of Refunds)	-23.25	-307.30
Net Cash Generated From Operations	**-668.48**	**7708.89**
(B) Cash flow from Investing activities		
Purchase of Property, Plant and Equipment (including WIP & Pre-operative Expenses)	-3041.61	-6273.93
Changes on account of Revaluation Reserve (net)	-	-89.75
Sale of Property, Plant and Equipment	1.88	200.08
Purchase of Shares	-	-
Loans (Given)	-	-
Changes in Non Current Assets	1548.30	2305.25
Net Cash Generated From Investing Activities	**-1491.44**	**-3858.35**
(C) Cash Flow From Financing Activities		
Money received against warrant	-	-
Capital Reserve	-	-
Issue of share capital	17.56	480.31
Securities premium	72.87	1917.68
Increase / (Decrease) in Long term borrowings	-903.39	-4363.56
Increase / (Decrease) in Short term borrowings	4998.84	-466.15
Interest and Finance cost	-2030.84	-1241.90
Dividend Paid (Including Tax On Dividend)	-99.51	-86.53
Net Cash Generated From Financing Activities	**2055.52**	**-3760.14**
Net Increase In Cash & Cash Equivalents	**-104.40**	**90.40**
Cash & Cash Equivalents At		
Opening	**155.90**	**65.50**
Closing	**51.50**	**155.90**
Cash & Cash Equivalent as per above comprises of the following:		
Cash & Cash Equivalent (Refer Note No.9)	51.50	155.90

The accompanying notes are an integral part of these financial statements.

Notes: 1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

This is the Cashflow Statement referred to in our report of even date.

For Pankaj R Shah & Associates
Chartered Accountants
(Firm Regn.No.107361W)

N. R. Shah

CA Nilesh Shah
Partner
Membership No.107414
UDIN: 22107414ALXUDI9116

For and on behalf of the Board of Directors,
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Director
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Chief Executive Officer

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[H. K. Modi]
Company Secretary

PLACE : AHMEDABAD
DATE : 24th May, 2022

RUSHIL DECOR LIMITED
CIN : L25209GJ1993PLC019532
Standalone Statement of Changes in Equity

A) EQUITY SHARE CAPITAL

Particulars	(₹ in Lakhs)
For the year ended 31st March, 2022	
Balance as at 1st April 2021	1973.44
Changes in equity share capital during the year :	
Issued during the year	17.56
Balance as at 31st March 2022	1991.00
For the year ended 31st March, 2021	
Balance as at 1st April 2020	1493.13
Changes in equity share capital during the year :	
Issued during the year	480.31
Balance as at 31st March 2021	1973.44

B) OTHER EQUITY

Reconciliation of Other Equity as at 31st March 2022

(₹ in Lakhs)

Particulars	Reserves and Surplus							Total
	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Remeasure-ment of the defined benefit plan	General Reserve	Revaluation Reserve	Retained Earnings	
Balance at the beginning of the reporting period	0.50	9900.16	33.00	-46.22	60.00	1767.15	12726.68	24441.28
Issued during the period	-	-	-	-	-	-	-	-
Converted into Equity Shares	-	-	-	-	-	-	-	-
Received against shares issued during the year	-	72.87	-	-	-	-	-	72.87
Depreciation transferred (to)/from Revaluation Reserve	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	-	-99.51	-99.51
Tax on Dividend	-	-	-	-	-	-	-	-
Adjustments as per Ind AS	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	2280.47	2280.47
Other Comprehensive Income for the year	-	-	-	-7.41	-	-	-	-7.41
Balance at the end of the reporting period	0.50	9973.03	33.00	-53.63	60.00	1767.15	14907.64	26687.69

Reconciliation of Other Equity as at 31st March 2021

(₹ in Lakhs)

Particulars	Reserves and Surplus							Total
	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Remeasure-ment of the defined benefit plan	General Reserve	Revaluation Reserve	Retained Earnings	
Balance at the beginning of the reporting period	0.50	7982.48	33.00	-22.46	60.00	1851.99	11441.38	21346.90
Issued during the period	-	-	-	-	-	-	-	-
Converted into Equity Shares	-	-	-	-	-	-	-	-
Received against share issue to Qualified Institutional Investors	-	1917.68	-	-	-	-	-	1917.68
Depreciation transferred (to)/from Revaluation Reserve	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	-	-86.53	-86.53
Tax on Dividend	-	-	-	-	-	-	-	-
Adjustments as per Ind AS	-	-	-	-	-	-84.84	-	-84.84
Profit for the year	-	-	-	-	-	-	1371.83	1371.83
Other Comprehensive Income for the year	-	-	-	-23.76	-	-	-	-23.76
Balance at the end of the reporting period	0.50	9900.16	33.00	-46.22	60.00	1767.15	12726.68	24441.28

The accompanying notes are integral part of these Standalone Financial Statements. This is the Statement of Changes in Equity referred to in our report of even date.

For Pankaj R Shah & Associates
Chartered Accountants
(Firm Regn.No.107361W)

N. R. Shah

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

CA Nilesh Shah
Partner
Membership No. 107414
UDIN: 22107414ALXUDI9116

For and on behalf of the Board of Directors,
Rushil Decor Limited

[Krupeshbhai G. Thakkar]
Chairman
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Chief Executive Officer

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Chief Financial Officer

[H. K. Modi]
Company Secretary

PLACE : AHMEDABAD
DATE : 24th May, 2022

A. DISCLOSURE OF ACCOUNTING POLICIES

(a) CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on The National Stock Exchange and The Bombay Stock Exchange. The Company is primarily engaged in manufacturing and sale of Laminate Sheets, Medium Density Fibre Board, Pre-laminated Medium Density Fibre Board boards, and Polyvinyl Chloride Board. The Company presently has manufacturing facilities at Itla, Mansa and Dholakuva in (Gujarat), Chikkamagaluru (Karnataka) and Atchutapuram (Andhra Pradesh).

Recent Accounting Pronouncements

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs Under The Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2022 has notified certain amendments to existing Ind ASs.

They shall come into force on April 1, 2022 and therefore, the company shall apply the same with effect from that date.

(a) Amendments:

Several Indian Accounting Standards have been amended on various issues with effect from April 1, 2022.

The following amendments are relevant to the Company:

(i) Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"- The cost of fulfilling a contract includes not only incremental costs but also other allocable costs that relate directly to fulfilling the contract. The above amendment and clarifications below are not expected to have any material effect on the Company's financial statements.

(b) Clarifications (Effective retrospectively):

(i) Ind AS 16 "Property, Plant and Equipment" - Net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. None of these amendments have any material effect on the financial statements.

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act") (to the extent notified) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 – 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupees ('INR'). Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

(c) USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(d) PROPERTY, PLANT AND EQUIPMENT:

i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses except freehold land which is carried at fair value. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

iv) Property, Plant and Equipment including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on straight line method over its useful life (as per schedule III of the Companies Act 2013)

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.

vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :

Buildings - 30 to 60 years
Plant and Equipments - 15 to 25 years
Furniture and Fixtures - 10 years
Vehicles - 8 to 10 years
Office Equipments - 5 to 10 years
Others – Computer Hardware 3 to 6 years

viii) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(e) <u>INTANGIBLE ASSETS:</u>

i) Intangible assets acquired by payment e.g. Computer Software is disclosed at cost less amortization on a straight-line basis over its estimated useful life.

ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

iii) Intangible assets are amortised on straight-line method as follows :
Computer Software - 5 years

iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

(f) **REVENUE RECOGNITION:**

i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

ii) Sale of Goods: Revenue from sales of goods is recognized upon transfer of control to the customers. Revenue shown in the Statement of Profit and Loss are excluding of inter-transfers, returns, trade discounts, cash discounts, Goods and Service Tax.

iii) Services: Revenue from Services are recognized as and when the services are rendered.

iv) Export incentives under various schemes are accounted in the year of export.

v) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(g) **EMPLOYEE BENEFITS:**

i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

(h) VALUATION OF INVENTORIES

i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Stock of Stores and spare parts, and Power & Fuels are valued at cost; and of those in transit and at port related to these items are valued at cost.

iv) Goods-in-process is valued at lower of cost or net realisable value.

v) Stock of Finished goods is valued at lower of cost or net realisable value, and Stock at port is valued at Cost.

vi) Stock-in-trade is valued at lower of cost or net realisable value.

(i) CASH FLOW STATEMENT:

i) Cash flows are reported using indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

ii) Cash and cash equivalents in the balance sheet comprise cash at bank, cash/chequesinhandandshortterminvestmentswithanoriginalmaturityofthreemonthsorless.

(j) FINANCIAL ASSETS:

i) The Company classifies its financial assets as those to be measured subsequently at fair value (through the standalone Statement of Profit and loss).

ii) Trade receivables represent receivables for goods sold by the Company up to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due with-in 12 months from the reporting date.

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to the standalone Statement of Profit and Loss.

iv) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

(k) <u>FINANCIAL LIABILITIES:</u>

i) Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effective interest method in Capital Work in Progress up to the commencement of related Plant, Property and Equipment and subsequently under finance costs in the standalone Statement of profit and loss .

ii) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

iii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

iv) Trade Payables represent liabilities for goods and services provided to the Company up to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

vi) Derivative financial instruments are in the nature of Forward contracts. Forward contracts are executed to hedge the foreign exchange rate with respect to liabilities for goods and services in foreign currencies.

vii) Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation obtained from Forex Advisors. Gain or loss arising from the changes in fair value of derivatives is debited to the foreign exchange fluctuations in the standalone statement of profit and loss.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

(l) **FAIR VALUE MEASUREMENT:**

i) The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

ii) The Company also measures Land at fair value at each balance sheet date.

iii) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

iv) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

v) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

vi) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

vii) All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized with in the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following three levels:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs are other than quoted prices included with in level 1 that are observable for the assets or liabilities either directly (pear prices) or indirectly (i.e. derived prices).

Level 3 – Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a Valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

(m) FOREIGN CURRENCY TRANSACTIONS:

i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.

ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

iii) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(n) LEASE

Operating Lease
As a lessee
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

(o) BORROWING COSTS:

i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.

iii) All other borrowing costs are expensed in the period in which they are incurred.

(p) ACCOUNTING FOR TAXES ON INCOME:

i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.

iv) The the carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

v) Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

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vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

(q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.

ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

(r) CURRENT AND NON-CURRENTCLASSIFICATION:

i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".

ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

i) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period;(d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(s) GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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When the grant relates to an asset, it is recognised as income in equal amounts over the expected remaining useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

(t) SEGMENT REPORTING:

i) Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the company, and makes strategic decisions. The CODM consists of the Chairman, Managing Director, Chief Executive Officer and Chief Financial Officer.

ii) The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identifiable segments are Manufacturing and Sale of (a) Decorative Laminated Sheets (b) Medium Density Fiber Board and (c) Polyvinyl Chloride Board and (d) (b) Medium Density Fiber Board – Andhra Pradesh Unit.

iii) The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are (a) Sales within India include sales to customers located within India; (b) Sales outside India include sales to customers located outside India.

iv) Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

v) The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

(u) RELATED PARTY TRANSACTIONS:

i) A related party is a person or entity that is related to the reporting entity preparing its financial statements

(a) A person or a close member of that person's family is related to reporting entity if that person;
   (i) has control or joint control of the reporting entity;
   (ii) has significant influence over the reporting entity; or
   (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies;

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(i) the entity and the reporting entity are members of the same group(which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity(or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)

(i) Has significant influence over the entity or is a member of the key management personnel of the entity(or of a parent of the entity);

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on the Standalone Financial Statements.

(v) <u>EARNINGS PER SHARE:</u>

i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(w) EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:

i) In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the latter on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss.

ii) In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognized where the Company retains the control of the asset and any future economic benefit accrues to it. A liability incurred by entering in to a contractual obligation is recognized to the extent to which CSR activity is completed during the year.

(x) CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

(i) Determination of Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹) i.e. ₹ in Lakhs. .

(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

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b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(ii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Company.

(iv) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

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(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Computers	TOTAL
NOTE NO : 1 **Property, Plant and Equipment and Capital work-in-progress**							
Cost of Assets							
As at 1st April 2021	4737.31	14583.87	45237.50	507.22	660.48	142.56	65868.94
Addition	112.62	597.59	1952.75	230.48	118.45	29.73	3041.61
Disposal / Adjustments	-	-	-	-	14.69	-	14.69
Transfer	-	-	-	-	-	-	-
As at 31st March 2022	4849.94	15181.46	47190.25	737.70	764.23	172.29	68895.86
Depreciation							
As at 1st April 2021	0.00	1447.93	5011.85	201.43	397.88	91.50	7150.59
Charge for the period	-	466.02	1775.37	49.12	81.15	38.67	2410.33
Disposal / Adjustments	-	-	-	-	12.56	-	12.56
Transfer	-	-	-	-	-	-	-
As at 31st March 2022	-	1913.95	6787.22	250.56	466.47	130.16	9548.36
Net Block							
As at 31st March 2021	4737.31	13135.94	40225.65	305.78	262.60	51.06	58718.35
As at 31st March 2022	4849.94	13267.51	40403.02	487.14	297.77	42.12	59347.50

CAPITAL WORK IN PROGRESS INCLUDING PRE-OPERATIVE EXPENSES :

(₹ in Lakhs)

Particulars	Year ended 31st March,2022	Year ended 31st March,2021
At the beginning of the year	103.92	33846.85
Add: Additions during the year	0.00	5706.56
Less: Capitalised during the year	56.69	39449.49
Balance at the end of year	**47.24**	**103.92**

(₹ in Lakhs)

Particulars	As at 31st March, 2022	
	Computer Software	Total
NOTE NO : 2 **Other Intangible assets**		
Cost of Assets		
As at 1st April 2021	29.69	29.69
Addition	-	-
Disposal / Adjustments	56.69	-
As at 31st March 2022	86.38	29.69
Amortization		
As at 1st April 2021	27.04	23.41
Charge for the period	26.48	26.48
Disposal / Adjustments	-	-
As at 31st March 2022	53.52	49.89
Net Block		
As at 31st March 2021	2.65	6.29
As at 31st March 2022	32.86	-20.19

1.1 Details of Capital Work in Progress (CWIP)

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	less than 1 year	1-2 years	2-3 years	more than 3 years	
As at 31st March 2022					
Projects in Progress	-	-	1.04	46.20	47.24
Projects temporarily Suspended	-	-	-	-	-
As at 31st March 2021					
Projects in Progress	-	7.41	96.52	-	103.92
Projects temporarily Suspended	-	-	-	-	-

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	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 3				
Investments (at amortised cost):				
(a) Investment in unquoted equity instruments Total 125 number of Equity shares of Indian Laminate Manufactures Association at Rs. 1000/- per share fully paid up		1.25		1.25
		1.25		**1.25**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 4				
Trade Receivables :				
Non-current Trade Receivable				
Unsecured,considered good unless otherwise stated		238.76		237.23
		238.76		**237.23**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 5				
Loans :				
Unsecured considered good unless otherwise stated				
- Loans to Staff		8.26		8.26
		8.26		**8.26**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 5A				
Other financial assets :				
Security Deposit		1022.93		660.30
		1022.93		**660.30**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 6				
Other non-current assets :				
Unsecured considered good unless otherwise stated				
(a) Advance for Capital goods		212.01		1760.30
(b) Advance other than Capital goods		23.15		22.11
(c) Other Loan and advances (including Balances with Government authorities)		42.26		42.26
(d) Advance Income Tax , TDS & TCS		34.60		35.13
		312.02		**1859.80**

SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

RUSHIL DECOR LIMITED

Notes to the Standalone Financial Statements

Note no. 4 TRADE RECEIVABLE AGING SCHEDULE (NONCURRENT)

As at March 2022

₹ in Lakhs

PARTICULARS			OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT					TOTAL
	UNBILLED	NOT DUE	LESS THAN 6 MONTHS	6 MONTHS-ONE YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	
(i) Undisputed								
Trade Receivable -Considered Good	-	-	-	0.12	3.02	16.29	99.29	118.71
(ii) Undisputed								
Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed								
Trade Receivables- Credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed								
Trade Receviables-Considered Good	-	-	-	3.00	2.81	-	114.24	120.05
(v) Disputed Trade Receivables								
which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables								
Credit impaired	-	-	-	-	-	-	-	-
Total	-	-	-	3.12	5.83	16.29	213.53	238.76

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

RUSHIL DECOR LIMITED

Notes to the Standalone Financial Statements

Note no. 4 TRADE RECEIVABLE AGING SCHEDULE (NONCURRENT)

As at March 2021

₹ in Lakhs

PARTICULARS			OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT					
	UNBILLED	NOT DUE	LESS THAN 6 MONTHS	6 MONTHS-ONE YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(i) Undisputed								
Trade Receivable -Considered Good	-	-	-	0.10	18.99	3.63	85.41	108.12
(ii) Undisputed								
Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed								
Trade Receivables- Credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed								
Trade Receviables-Considered Good	-	-	-	-	8.92	18.30	101.89	129.11
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables								
Credit impaired								
TOTAL	-	-	-	-	8.92	18.30	101.89	237.23

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 7				
Inventories				
(as taken, valued and certified by Director)				
(a) Raw Materials*		4639.15		2843.95
(b) Work in progress		1234.78		514.00
(c) Finished goods (Finished Goods at Port ₹307.62 Lakhs P.Y ₹108.67 Lakhs)*		7291.59		3481.11
(d) Stores and spares		2360.97		1578.75
(e) Power & Fuel		15.87		9.42
* Including stock of Purchase for Trading goods ₹ Nil/- P.Y ₹ 21.80 Lakhs (Raw material) and ₹ Nil/- P.Y ₹ 29.42 Lakhs(Finished Goods)				
		15542.36		**8427.23**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 8				
Trade receivables :				
Unsecured, considered good unless otherwise stated		8255.92		5753.65
TOTAL		**8255.92**		**5753.65**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 9				
Cash and cash equivalents				
(a) Balances with Scheduled Banks				
In current Account		5.00		104.20
In EEFC Account in USD		-		-
In EEFC Account in EURO		-		-
In Dividend Account		2.18		1.72
(b) Cash on hand		44.32		49.98
		51.50		**155.90**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 10				
Other Bank balances				
(a) Fixed Deposit with Banks*		558.47		1007.43
* The Company has pledged above margin money deposit with bank as margin money against credit facilities towards bank guarantee and letter of credit.				
		558.47		**1007.43**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 11				
Current Tax Assets				
Income Tax Refund Receivable		35.77		11.99
		35.77		**11.99**

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

Note no. 8 TRADE RECEIVABLE AGING SCHEDULE (CURRENT)

As at March 2022

₹ in Lakhs

PARTICULARS			OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT					TOTAL
	UNBILLED	NOT DUE	LESS THAN 6 MONTHS	6 MONTHS- ONE YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	
(i) Undisputed								
Trade Receivable -Considered Good	-	4756.03	3319.87	90.90	33.19	3.90	-	8203.89
(ii) Undisputed								
Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed								
Trade Receivables- Credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed								
Trade Receviables-Considered Good	-	-	4.76	11.56	14.84	7.55	13.32	52.03
(v) Disputed Trade Receivables								
which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables								
Credit impaired	-	-	-	-	-	-	-	-
Total	-	4756.03	3324.64	102.46	48.03	11.45	13.32	8255.92

AH & ASSOCIATES CHARTERED ACCOUNTANTS PAN AHMEDABAD

RUSHIL DECOR LIMITED

Notes to the Standalone Financial Statements

Note no. 8 TRADE RECEIVABLE AGING SCHEDULE (CURRENT)

As at March 2021

₹ in Lakhs

PARTICULARS			OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT					
	UNBILLED	NOT DUE	LESS THAN 6 MONTHS	6 MONTHS-ONE YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(i) Undisputed								
Trade Receivable -Considered Good	-	3274.57	2172.08	110.62	116.83	10.49	25.06	5709.65
(ii) Undisputed								
Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed								
Trade Receivables- Credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed								
Trade Receviables-Considered Good	-	3.00	21.74	5.04	7.09	-	7.13	44.00
(v) Disputed Trade Receivables								
which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables								
Credit impaired	-	-	-	-	-	-	-	-
TOTAL	-	3277.57	2193.83	115.66	123.92	10.49	32.19	5753.65

PANKAJ K. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 12				
Other current assets (Unsecured considered				
Balance with government authorities		1521.89		2266.16
Licence on hand & Licence Receivables		891.42		1017.31
Advance to Suppliers		390.03		387.82
Prepaid Expenses		405.24		93.29
Other Advances		12.60		50.56
Insurance claim receivable		-		79.69
		3221.18		**3894.83**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 13				
Share Capital :				
Authorised :				
30000000 (P.Y 30000000) Equity Shares of ₹ 10/- each		3000.00		3000.00
		3000.00		**3000.00**
Issued & Subscribed and Paid up :				
19899596 Lakhs (P.Y. 14931332 Lakhs) Equity Shares of ₹ 10/- each fully paid up		1989.96		1493.13
8847 (P.Y. 4977111) Equity Shares of ₹ 10/- each Partly paid up (Partly Paid up shares includes excess money received on fully paid up shares)		1.04		480.31
		1991.00		**1973.44**

1) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year	**In numbers**	**31.03.2022 (₹ in Lakhs)**	**In numbers**	**31.03.2021 (₹ in Lakhs)**
At the beginning of period	1,99,08,443	1973.44	1,49,31,332	1493.13
Issued during the year	-	17.56	49,77,111	480.31
Outstanding at the end of year	**1,99,08,443**	**1991.00**	**1,99,08,443**	**1973.44**
Note : The company has only one class of shares having Par value of ₹ 10 per share. Each Share Holder ie eligible for one vote Per Share.				

2) Details of shares held by each shareholder holding more than 5% shares:	**As at 31 March, 2022**	**As at 31 March, 2022**	**As at 31 March, 2021**	**As at 31 March, 2021**
	Number of shares held	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**
Equity shares with voting rights				
Ghanshyambhai Ambalal Thakkar	21,68,832	10.89	28,68,298	14.41
Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar Repre. Rushil International (Patnership Firm)	26,59,207	13.36	26,59,207	13.36
Krupesh Ghanshyambhai Thakkar	30,61,939	15.38	30,61,939	15.38
Krupesh G. Thakkar Karta of Krupesh Ghanshyambhai Thakkar (HUF)	20,02,134	10.06	20,02,134	10.06

3) Disclosure of Shareholding of Promoters	**% of Change**	**As at 31 March, 2022**	**As at 31 March, 2022**	**As at 31 March, 2021**	**As at 31 March, 2021**
		Number of shares held	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**
Equity shares with voting rights					
Ghanshyambhai Ambalal Thakkar	3.52	21,68,832	10.89	28,68,298	14.41
Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar Repre.	-	26,59,207	13.36	26,59,207	13.36
Krupesh Ghanshyambhai Thakkar	-	30,61,939	15.38	30,61,939	15.38
Krupesh G. Thakkar Karta of Krupesh Ghanshyambhai Thakkar (HUF)	-	20,02,134	10.06	20,02,134	10.06
Krupa Krupesh Thakkar	-	4,06,875	2.04	4,06,875	2.04
Dinuben Ghanshyambhai Thakkar	-	3,55,154	1.78	3,55,154	1.78
Rushil Krupesh Thakkar	-	3,00,420	1.51	3,00,420	1.51

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 14				
Other Equity :				
a) Capital Redemption Reserve (For Redemption of Preference Share Capital)		0.50		0.50
b) Others				
1) Securities Premium				
Opening Balance	9900.16		7982.48	
Add : Addition during the year	72.87		1917.68	
	9973.03	9973.03	9900.16	9900.16
2) Amalgamation Reserve		33.00		33.00
3) General Reserve				
Opening Balance	60.00		60.00	
Add : Addition during the year	-	60.00	-	60.00
4) Revaluation Reserve (Fair value of land net of Deferred Tax Liability) (Refer Note No.47)				
Opening Balance	1767.15		1851.99	
Add : Addition during the year	-		248.65	
Less : Deduction during the year	-	1767.15	333.49	1767.15
5) Retained Earnings				
Balance Brought Forward From Previous Year	12726.68		11441.38	
Adjustment as per IND AS				
Add: Fair Value of Term loan effect	-		-	
Less: Prior Period Expenses	-		-	
Add: Profit on M2M of Forward Contract (Net of tax)	-		-	
	12726.68		11441.38	
Add: Profit/(Loss) for the year	2280.47		1371.83	
	15007.15		12813.21	
Less :Proposed Final Dividend on equity share (amount per share ₹ 0.50 (31st March, 2017)	-		-	
Less : Tax on Equity Dividend	-		-	
Less :Final Dividend on equity share (amount per share ₹ 0.50 (31st March, 2021 and 31st March,2022)	99.51		86.53	
Less : Tax on Equity Dividend	-		-	
Less : Interim Dividend on equity share (amount per share ₹ Nil (31st March, 2016 amount per share ₹ 0.50)	-		-	
		14907.64	-	12726.68
6) Money received against share warrants :				
Opening Balance	-		-	
Add : Issued during the period	-		-	
Less: Converted into Equity Shares	-		-	
Closing Balance	-	-	-	-
6) Remeasure-ment of the defined benefit Plan				
Opening Balance	-46.22		-22.46	
Add: Addition during the year (net of Income Tax)	-		-	
Less: Deduction during the year (net of Income Tax)	-7.41		-23.76	
Closing Balance		-53.63		-46.22
		26687.69		**24441.28**

Purpose of Reserves :

a) Capital Redemption Reserve : As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

b) Security Premium : Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c) General Reserve : Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

d) Amalgamation Reserve : If the amalgamation is an 'amalgamation in the nature of merger', the identity of the reserves is preserved and they appear in the financial statements of the transferee company.

e) Revaluation Reserve : Amount of reserve created by company when fair market value of assets increase as compared to book value then the difference of profit is transferred to revaluation reserve and if value of any assets decreases then this reserve is used by company for balancing the losses

f) Retained Earnings : Retained Earnings are the profits and gains that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

	31.03.2022 (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
	Current maturities	Non-Current Portion	Current maturities	Non-Current Portion
NOTE NO : 15				
Borrowings :				
(a) Term Loan (refer note 1 below)				
From Banks				
I.Bank of Baroda (refer note 1 below)				
(a) Corporate loan A/c no 01500600020796	-	-	150.00	-
(b) Term loan A/c no 01500600020907	-	-	62.50	0.25
(c) Term loan A/c no 01500600021047	62.50	31.16	62.50	93.43
(d) Term loan A/c no 01500600021195	233.33	525.00	233.33	758.33
(e) Corporate loan A/c no 01500600021248	200.00	499.92	200.00	699.87
(f) Term loan A/c no 01500600021225	37.50	84.15	37.50	121.48
(g) Term loan A/c no 01500600021317	445.60	2228.40	-	2674.00
(h) Term loan A/c no 01500600021634	107.80	-	327.60	107.80
(i) Term loan A/c no 01500600022738	-	-	800.00	-
(j) Term loan A/c no 01500600023184	-	1473.95	-	-
(k) Term loan External Commercial Borrowing (USD 15000000) [LRN 201809163]	1827.88	9541.75	-	10967.25
II. ECA Loan from foreign bank (refer note 2 below)				
(a) Bayerische Landesbank and LBBW ECA [LRN.201809103]	1525.72	8927.49	764.70	9430.99
III.Yes Bank (refer note 3 below)				
(a) Business loan A/c no 021588900000352	105.07	589.47	105.07	696.35
(b) Business loan A/c no 021588900000480	4.19	22.08	4.19	26.69
(b) Unsecured Loans from related parties				
From Directors, Promoters and their related parties	18.91	3825.10	17.47	3091.42
(c) From Others				
Vehicle Loans (refer note 4 below)	139.43	269.11	73.86	127.04
Loan from LIC (refer note 5 below)	-	22.73	-	22.73
Loan from Financial Institution and Bank (refer note 6 below)	58.22	0.03	80.44	58.56
Loan from Karnataka VAT-I (refer note 7 below)	-	-	-	22.23
Loan from Karnataka VAT-II (refer note 7 below)	47.92	66.78	-	96.58
Loan from Karnataka VAT-III (refer note 7 below)	-	63.24	-	49.27
Loan from Karnataka VAT-IV (refer note 7 below)	-	52.10	-	44.85
Loan from Karnataka VAT-V (refer note 7 below)	-	92.22	-	68.91
Loan from Karnataka VAT-VI (refer note 7 below)	-	74.09	-	58.85
(d) Deferred Revenue (KVAT LOAN) (refer note 7 below)	-	228.96	-	304.23
	4814.07	**28617.72**	**2919.16**	**29521.11**

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

Note:1

Term loan from Bank of Baroda

Secured by way of

(a) Hypothecation of entire current assets of the company present and future,

(b) Equitable mortgage of

(i) Land, building and Plant & Machinery belonging to the company both present and future to be constructed,

(ii) office premises situated at flat no 1 & 2 krinkal apartment, paldi, ahmedabad belonging to the company

(iii) residential bunglow situated 4, pushpa dhanwa owners association, vastrapur, ahmedabad belonging to Shri KrupeshbhaiThakkar

(iv) plot stiuated at lati bazar, ahmedabad in the name of Shri Krupeshbhai Thakkar

(c) 2nd Charge over machinery 800 CBM Capacity MDF board unit purchased from Siempelkamp - Germany and other related equipments/machineries financed by Byren LB and LBBW under supplier credit arrangement.

(d) Pledge of fixed deposit of ₹ 0.93 crores

(e) secured by way of personal guarantee of Shri Krupeshbhai Thakkar, Mr. Rushil Krupesh Thakkar and Personal Guarantee of Smt. Dinuben G. Thakkar to the extent of value of property (Pushpa Dhanya Bungalow).

Term of Repayment

Particulars	Repayment Schedule		
Corporate loan A/C NO. 01500600020796	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 18 months from the date of first disbursement as under.The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in lacs)	Total (₹ in lacs)
	2015-16	37.50x2	75
	2016-17	50.00x4	200
	2017-18	62.50x4	250
	2018-19	75.00x4	300
	2019-20	75.00x4	300
	2020-21	75.00x3	225
	2021-22	75.00x2	150
		TOTAL	**1500**
* Repayment amount is actual repayment to be made while in books, outstanding basis after doing amortisation			
Corporate loan A/C NO. 01500600020907	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date of first disbursement as under.The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in lacs)	Total (₹ in lacs)
	2015-16	15.625x1	15.63
	2016-17	15.625x4	62.50
	2017-18	15.625x4	62.50
	2018-19	15.625x4	62.50
	2019-20	15.625x4	62.50
	2020-21	15.625x2	46.88
	2021-22	15.625x4	62.50
		TOTAL	**375.00**

* Repayment amount is actual repayment to be made while in books, outstanding basis after doing amortisation

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

Term of Repayment

Particulars	Repayment Schedule		
Corporate loan A/C NO. 01500600021047	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date of first disbursement as under. The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in lacs)	Total (₹ in lacs)
	2017-18	15.625x4	62.50
	2018-19	15.625x4	62.50
	2019-20	15.625x4	62.50
	2020-21	15.625x2	31.25
	2021-22	15.625x4	62.50
	2022-23	15.625x4	62.50
	2023-24	15.625x2	31.25
		TOTAL	**375.00**
* Repayment amount is actual repayment to be made while in books, outstanding basis after doing amortisation			
Term loan A/C NO. 01500600021195	Term loan is to be repaid in 24 quarterly installments commencing after a moratorium period of 9 months from the date of commencement of commercial production in Equal amount as under.The interest is to be served on monthly basis.		
	Year	No. of installments	Total (₹ in lacs)
	2018-19	58.333x1	58.33
	2019-20	58.333x4	233.33
	2020-21	58.333x2	116.67
	2021-22	58.333x4	233.33
	2022-23	58.333x4	233.33
	2023-24	58.333x4	233.33
	2024-25	58.333x4	233.33
	2024-25	58.333x1	58.33
		TOTAL	**1400.00**
Corporate loan A/C NO. 01500600021248	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date disbursement as under.The interest is to be served on monthly basis.		
	Year	No. of installments	Total (₹ in lacs)
	2019-20	50.00x4	200.00
	2020-21	50.00x2	100.00
	2021-22	50.00x4	200.00
	2022-23	50.00x4	200.00
	2023-24	50.00x4	200.00
	2024-25	50.00x4	200.00
	2025-26	50.00x2	100.00
		TOTAL	**1200.00**
* Repayment amount is actual repayment to be made while in books, outstanding basis after doing amortisation			
Term loan A/C NO. 01500600021225	Term loan is to be repaid in 24 quarterly installments commencing after a moratorium period of 12 months from the date of first disbursement in Equal amount as under.The interest is to be served on monthly basis.		
	Year	No. of installments	Total (₹ in lacs)
	2018-19	9.375x2	18.75
	2019-20	9.375x3	28.13
	2020-21	9.375x2	18.75
	2021-22	9.375x4	37.50
	2022-23	9.375x4	37.50
	2023-24	9.375x4	37.50
	2024-25	9.375x4	37.50
	2025-26	9.375x1	9.38
		TOTAL	**225.00**
* Repayment amount is actual repayment to be made while in books, outstanding basis after doing amortisation			
Term loan A/C NO. 01500600021317 (Rupee Term Loan for Andhra Pradesh Project)	24 quarterly installments of ₹ 1.114 Crore +Interest commencing after 12 months from COD. Interest to be serviced as and when applied. The revised approved COD is April 2021 therefore the repayment will commence from April 2022.		
Term loan A/c no 01500600021634	Term loan is to be repaid in 17 monthly installments of ₹ 27.30 lacs and 1 installment of ₹ 25.90 lacs after completion of moratorium period of 6 months from the date of first disbursement. The interest is to be served on monthly basis.		
	Year	No. of installments	Total (₹ in lacs)
	2020-21	27.3x2	54.60
	2021-22	27.3x12	327.60
	2022-23	(27.3x3)+(25.9*1)	107.80
Term loan A/c no 01500600022738	Term loan is to be repaid in 7 monthly installments of ₹ 1.1429 crores after completion of moratorium period of 2 months from the date of first disbursement. The interest is to be served on monthly basis.		
Corporate loan A/C NO. 01500600023184	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date of first disbursement as under.The interest is to be served on monthly basis.		
	Year	No. of installments	Total (₹ in lacs)
	2023-24	62.50x4	250.00
	2024-25	62.50x4	250.00
	2025-26	62.50x4	250.00
	2026-27	62.50x4	250.00
	2027-28	62.50x4	250.00
	2028-29	62.50x4	250.00
		TOTAL	**1500.00**
ECB TERM LOAN (USD 15000000) (From BOB London for Andhra Pradesh Project)	24 quarterly installments (24 installments of USD 625000 plus interest) commencing after 4 quarters form COD. The revised approved COD is April 2021 therefore the repayment will commence from June 2022.		

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

Note:2
Loan from Foreign Bank

Bayerische Landesbank and LBBW ECA [LRN.201809103], Germany	15 half yearly installments (14 installments of EURO 886583.31 and 1 installment of EURO 886583.30) starting from 15th December 2021.

Secured by way of hypothecation of machinery, equipment for a Meduim Densiity Fiberboard (MDF) manufacturing plant by Siemplelkamp Maschinen and Anlagenbau GmbH at plant situated of Rushil Decor Limited - Atchutapuram, Vishakhapatman, Andhra Pradesh, India

Note:3
Business loan from Yes Bank
Secured by way of Equitable Mortgage of a) residential bunglow situated 18,19, Pushpa dhanwa Bunglows, vastrapur, ahmedabad belonging to Shri Kurpeshbhai G. Thakkar b) Rushil Corporate House, Nr GIHED House, off Sindhu Bhawan Road, Nr. S.P.Ring Road, Ahmedabad-380058 belonging to Shri Kurpeshbhai G. Thakkar and also further secured by way of personal gurantee of Shri Krupesh Thakkar

Term of Repayment

Particulars	Repayment Schedule
Business loan A/c no 021588900000352	Payable in 120 monthly installments of ₹ 8.75 Lakhs commencing from November-2018
Business loan A/c no 021588900000480	Payable in 120 monthly installments of ₹ 0.35 Lakhs commencing from November-2018

Note :4 Secured by hypothecation on vehicle purchased under hire purchase agreements.Repayment schedule is as under.

Name of Bank	Monthly installments including interest (₹ in	Period	Commencing Date
AXIS BANK LTD LOAN NO. CER000305013436	1.22	1.3.2020 TO 1.2.2023	1.3.2020
AXIS BANK LTD LOAN NO. CER000305013861	1.22	1.3.2020 TO 1.2.2023	1.3.2020
AXIS BANK LTD LOAN NO. AUR000304000399	0.25	1.5.2019 TO 1.5.2022	1.5.2019
BANK OF BARODA LOAN A/C 01500600021627	0.08	8.7.2020 TO 8.7.2027	8.7.2020
BANK OF BARODA LOAN A/C 01500600021639	0.41	31.7.2020 TO 30.7.2024	31.7.2020
BANK OF BARODA LOAN A/C 01500600022673	0.24	16.1.2021 TO 16.1.2025	16.1.2021
BANK OF BARODA LOAN A/C 01500600022658	0.21	28.12.2020 TO 28.12.2024	28.12.2020
BANK OF BARODA LOAN A/C 01500600021745	0.35	4.11.2020 TO 1.11.2025	4.11.2020
BANK OF BARODA LOAN A/C 01500600021746	0.65	4.11.2020 TO 1.11.2025	4.11.2020
YES BANK LOAN A/C NO CE000700459832	0.31	8.2.2019 TO 8.12.2022	8.2.2019
YES BANK LOAN A/C NO - CEL000700459833	0.22	8.2.2019 TO 8.12.2022	8.2.2019
YES BANK LOAN A/C NO -CEL000700619516	0.38	15.1.2020 TO 15.11.2023	15.1.2020
YES BANK LOAN A/C NO -CEL000700619601	0.22	15.1.2020 TO 15.11.2023	15.1.2020
YES BANK LOAN A/C NO -CEL000700619680	0.22	15.1.2020 TO 15.11.2023	15.1.2020
KOTAK MAHINDRA BANK LTD (LOAN AGREE NO CE-14833009)	1.35	1.10.2017 TO 1.9.2022	1.10.2017
BANK OF BARODA [01500600022883] [INNOVA CRYSTA XM]	0.40	27.09.2021 TO 27.08.2026	27.09.2021
BANK OF BARODA [01500600022888] [HYUNDAI I20 ASTA]	0.20	03.10.2021 TO 03.09.2026	03.10.2021
BANK OF BARODA [01500600022858] [TATA TIGOR 2 CAR]	0.26	10.09.2021 TO 10.08.2026	10.09.2021
BANK OF BARODA [01500600022756] [FORKLIFT]	4.45	26.06.2021 TO 26.04.2025	26.06.2021
BANK OF BARODA [01500600022839] [FORKLIFT]	0.22	30.08.2021 TO 30.06.2025	30.08.2021
BANK OF BARODA [01500600023009] [BOLLERO]	0.16	02.01.2022 TO 02.12.2026	02.01.2022
BANK OF BARODA [01500600023135] [A.L. TRUCK AND PAL FINGER]	2.06	11.04.2022 TO 11.03.2026	11.04.2022

Note :5 Secured against pledge of keyman Insurance policies of directors.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

Note :6 Unsecured Loan from Financial Institution and Bank. Repayment schedule is as under.

Name	Loan Amount	Current maturities	Monthly installments including interest (₹ in lakhs)	Period	Commencing Date
ICICI BANK LTD. LOAN A/C NO. UPABD00041569635	47.70	15.80	1.69	5.4.2020 TO 5.9.2022	5.4.2020
IDFC FIRST BANK. LOAN A/C NO 31147307	51.00	16.87	1.78	2.4.2020 TO 2.3.2023	2.4.2020
IIFL LTD. LOAN A/C NO SL2559852	49.68	26.76	2.47	3.5.2020 TO 3.4.2022	3.5.2020
MAGMA FINCORP LIMITED LOAN A/C NO PS/0104/P/18/000015	49.95	16.97	1.77	3.4.2020 TO 3.3.2023	3.4.2020
TATA CAPITAL LTD. LOAN A/C NO TCFBL0272000010825679	49.51	4.04	4.55	5.4.2020 TO 5.4.2021	5.4.2020
	247.85	80.44			

Note :7

Loan from Karnataka VAT

Secured by way of Bank guarantee. The loan is repayable in 3 equal annual installment as per details mentioned below:

Due Date	Particulars of repayment of principal amount for VAT -II	Particulars of repayment of principal amount for VAT -III	Particulars of repayment of principal amount for VAT -IV	Particulars of repayment of principal amount for VAT-V	Particulars of repayment of principal amount for VAT-VI
01-04-2022	47.92	-	-	-	-
01-04-2023	47.92	29.64	-	-	-
01-04-2024	47.92	29.64	27.40	-	-
01-04-2025	-	29.64	27.40	54.42	-
01-04-2026	-	-	27.40	54.42	49.05
01-04-2027	-	-	-	54.42	49.05
01-04-2028	-	-	-	-	49.05
Total *	**143.76**	**88.93**	**82.20**	**163.25**	**147.16**

* Repayment amount is actual repayment to be made while in books, outstanding basis after doing amortisation

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 16a				
Trade Payables				
- dues to micro and small enterprises		-		-
- dues to other than micro and small enterprises		8.52		44.70
		8.52		**44.70**
NOTE NO : 16b				
Other Financial Liabilities :				
	Current maturities	**Non-Current Portion**	**Current maturities**	**Non-Current Portion**
(a) Trade Deposit from Customers	51.42	864.04	60.99	813.45
	51.42	**864.04**	**60.99**	**813.45**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 17				
Long term provisions :				
(a) Provision for Employee Benefit - Gratuity		250.77		238.34
		250.77		**238.34**

	31.03.2022 (in ₹)		31.03.2021 (in ₹)
NOTE NO : 18			
Deferred tax liabilities (Net)	3614.50		2829.74
	3614.50		**2829.74**

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

RUSHIL DECOR LIMITED

Notes to the Standalone Financial Statements

Note No. 16(a) : TRADE PAYABLE AGING SCHEDULE (NONCURRENT)

As at 31 March 2022

₹ in Lakhs

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	UNBILLED	NOT DUE	LESS THAN ONE YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(i)							
MSME	-	-	-	-	-	-	-
(ii)							
OTHERS	-	-	2.64	0.93	1.49	3.46	8.52
(iii) Disputed Dues -MSME							
MSME	-	-	-	-	-	-	-
(iv) Disputed Dues Others							
OTHERS	-	-	-	-	-	-	-
Total	-	-	2.64	0.93	1.49	3.46	8.52

Note No. 16(a) : TRADE PAYABLE AGING SCHEDULE (NONCURRENT)

As at 31 March 2021

₹ in Lakhs

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	UNBILLED	NOT DUE	LESS THAN ONE YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(i)							
MSME	-	-	-	-	-	-	-
(ii)							
OTHERS	-	-	2.20	2.05	1.50	3.15	8.90
(iii) Disputed Dues -MSME							
MSME	-	-	-	-	-	-	-
(iv) Disputed Dues Others							
OTHERS	-	-	-	0.90	34.90	-	35.80
Total	-	-	2.20	2.95	36.40	3.15	44.70

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 19				
Other non-current liabilities :				
(a) Deferred Revenue (Subsidy)				
At the beginning of the year	106.38		112.73	
Add: Added during the year	-		-	
Less: Released to the statement of profit and loss at the end of the year	-6.35		-6.35	
	100.03		106.38	
Less : Current (Amount Disclosed under the head Other Current Liabilities refer Note No. 23)	-6.35		-6.35	
Non-current		93.67		100.03
(b) Deferred Revenue (Govt Grant-EPCG)				
At the beginning of the year	700.83		687.50	
Add: Added during the year	-		13.33	
Less: Released to the statement of profit and loss at the end of the year	105.00	595.82	-	700.83
(c)Trade payable for capital goods		46.18		101.11
		735.68		**901.96**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 20				
Borrowings :				
Current Borrowings				
(a) Loans repayable on demand				
Working Capital From Banks				
Bank of Baroda - Cash Credit Loans (including Working capital demand loan of ₹ 20 crore P.Y ₹ 18 crore (refer note no.1)		4965.94		2977.07
Bank of Baroda - Packing Credit (refer note no.1)		3442.72		1877.84
Bank of Baroda - Foreign Bills Purchase (refer note no.1)		68.33		510.54
BANK OF BARODA FD/OD A/C NO.14180400000574		1.17		-
BANK OF BARODA FD/OD A/C NO.09230400000878		0.80		-
(b) Current maturities of long-term debt (Including Current Maturity of Trade Deposit from Customer)		4846.58		2962.68
(c) From Directors, Promoters and their related parties		18.91		17.47
		13344.44		**8345.60**

Note:1

Working Capital facility from Bank of Baroda

Secured by way of
(a) Hypothecation of entire current assets of the company present and future,
(b) Equitable mortgage of
(i) Land, building and Plant & Machinery belonging to the company both present and future to be constructed,
(ii) office premises situated at flat no 1 & 2 krinkal apartment, paldi, ahmedabad belonging to the company
(iii) residential bunglow situated 4, pushpa dhanwa owners association, vastrapur, ahmedabad belonging to Shri Krupeshbhai Thakkar
(iv) plot stiuated at lati bazar, ahmedabad in the name of Shri Krupeshbhai Thakkar
(c) 2nd Charge over machinery 800 CBM Capacity MDF board unit purchased from Siempelkamp - Germany and other related equipments/machineries to be financed by Byren LB and LBBW under supplier credit arrangement.
(d) Pledge of fixed deposit of ₹ 0.93 crores
(e) secured by way of personal guarantee of Shri Krupeshbhai Thakkar, Mr. Rushil Krupesh Thakkar and Personal Guarantee of Smt.

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 21				
Trade payables :				
Total outstanding dues of micro and small enterprises Nil) (refer note no.21a)		453.97		168.32
Total outstanding dues other than micro and small enterprises		8335.71		7816.15
		8789.68		**7984.47**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
Note No. :21a Trade Payables - Total outstanding dues of Micro & Small Enterprises*				
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal		453.97		168.32
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		-		-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006		-		-
d) Interest accrued and remain unpaid as at year end		-		3.81
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises		-		-

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 22				
Other financial liabilities :				
(a) Interest accrued but not due on borrowings;		98.65		112.63
(b) Share Application Money (Refundable ₹ 0.0025 Lakhs) (Refer Note No. 48)		0.00		0.00
(c) Unclaimed Equity Dividend		2.18		1.72
		100.84		**114.35**

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

RUSHIL DECOR LIMITED

Notes to the Standalone Financial Statements

Note No. 21 : TRADE PAYABLE AGING SCHEDULE (CURRENT)

As at 31 March 2022 ₹ in Lakhs

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	UNBILLED	NOT DUE	LESS THAN ONE YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(i)							
MSME	-	453.97	-	-	-	-	453.97
(ii)							
OTHERS	-	8261.92	59.00	8.60	5.21	0.98	8335.71
(iii) Disputed Dues -MSME							
MSME	-	-	-	-	-	-	-
(iv) Disputed Dues Others							
OTHERS	-	-	-	-	-	-	-
Total	-	8715.90	59.00	8.60	5.21	0.98	8789.68

PANKAJ H. SHAH & ASSOCIATES * AHMEDABAD * CHARTERED ACCOUNTANTS

RUSHIL DECOR LIMITED

Notes to the Standalone Financial Statements

Note No. 21 : TRADE PAYABLE AGING SCHEDULE (CURRENT)

As at 31 March 2021

₹ in Lakhs

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	UNBILLED	NOT DUE	LESS THAN ONE YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(i)							
MSME	-	168.32	-	-	-	-	168.32
(ii)							
OTHERS	-	6273.37	1517.44	20.28	0.78	4.29	7816.15
(iii) Disputed Dues -MSME							
MSME	-	-	-	-	-	-	-
(iv) Disputed Dues Others							
OTHERS	-	-	-	-	-	-	-
Total	-	6441.68	1517.44	20.28	0.78	4.29	7984.47

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 23				
Other Current Liabilites :				
(a) Advance from customers		498.49		198.56
(b) Trade payable for capital goods (including Total outstanding dues of micro and small enterprises ₹ 5.1 Lakhs for P.Y ₹ NIL/-)		745.47		2271.60
(c) Duties and taxes		76.65		79.26
(d) Deferred Revenue (Subsidy)		6.35		6.35
		1326.96		**2555.78**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 24				
Provisions				
Provision for employee benefits		112.22		97.45
Provision for Gratuity		75.74		63.38
Provision for expenses		2156.21		917.75
		2344.18		**1078.58**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 25				
Current Tax Liabilities (Net):				
Provision of Income tax (Net of Advance Tax & TDS)				
For 2019 - 2020	-	-	-	-
		-		-

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 26				
I. Revenue from operations				
A.Sale of Products				
Direct Export Turnover		13660.55		10466.87
Domestic Turnover		48032.84		22243.72
Turnover		61693.39		32710.59
B.Other Revenue from operations		**723.51**		**833.80**
Total Revenue from operations		**62416.90**		**33544.38**

Other operating revenue as under		31.03.2022 (₹ in Lakhs)		31.03.2021 (₹ in Lakhs)
- Licence due income		723.51		833.80
Total		**723.51**		**833.80**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 27				
Other Income :				
Foreign Exchange Gain		34.42		341.75
Interest Income		63.21		79.16
Rent Income		11.27		5.01
Royalty Income		0.29		-
Sundry Balances Written off		25.70		-
Deferred Revenue Amortised (IND AS-20) (Refer note No. 19)		6.35		6.35
		141.24		**432.27**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 28				
Cost of Materials Consumed:				
Raw Material Consumed:				
Opening Stock of Raw Material	2843.95		2710.52	
Less : Transfer to purchase of stock in trade	-		3.06	
Net Opening Stock of Raw Material	2843.95		2707.47	
Add : Purchases (Net of Goods and Service Tax, Discount Rate Diff. & Material for Resale ₹ 204.55 Lakhs previous year ₹ 159.56 Lakhs)	37866.32		16786.05	
Add : Freight, Octroi, and Clearing & Forwarding	372.48		282.25	
Add : C.V.D., Other Duty & Licence Use	567.38		490.61	
	41650.12		20266.38	
Less : Closing Stock of Raw Material* * Including stock of Purchase for Trading goods ₹ Nil/- P.Y. ₹ 21.80 Lakhs	4639.15		2843.95	
		37010.97		**17422.43**

		31.03.2022 (₹ in Lakhs)		31.03.2021 (₹ in Lakhs)
NOTE NO : 29				
Purchase of Stock-in-Trade				
Melamine		60.87		115.46
Phenol		93.30		42.84
Base Paper		50.38		-
Kraft Paper		-		1.26
PVC sheets		1.01		11.70
PVC Foil and PVC Film		-		3.06
Total		**205.56**		**174.32**

J. R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 30				
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress				
Opening Stock				
Finished Goods	3481.11		4062.74	
Less : Transfer to purchase of stock in trade	1.01		11.70	
	3480.10		4051.04	
Stock-in-Progress	514.00		510.01	
	3994.10		4561.05	
Less : Closing Stock *				
Finished Goods	7291.59		3481.11	
Stock-in-Progress	1234.78		514.00	
* Including stock of Trading goods ₹ Nil/- (Finished Goods) P.Y. Including stock of Trading goods ₹ 29.43 Lakhs (Finished Goods)				
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		**-4532.26**		**565.94**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 31				
Employee benefits expenses				
Salary & Bonus		3946.95		2601.69
Contribution to Provident Fund etc.		127.00		80.56
		4073.95		**2682.25**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 32				
Finance Costs				
Interest on Cash Credit		380.82		359.13
Interest on Term Loan		947.37		386.42
Interest to Unsecured loan		159.13		104.33
Interest to Financial Institution		349.50		248.82
Other Financial Charges		194.03		143.21
Exchange difference regarded as an adjustment to borrowing cost	-		1293.05	
Less: Finance cost capitalised	-	-	1293.05	-
		2030.84		**1241.90**

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 33				
Other Expenses				
Stores & Spares Consumed :				
Opening Stock	1578.75		1263.34	
Add : Purchases	2559.62		1030.63	
	4138.37		2293.97	
Less: Closing Stock	2360.97	1777.41	1578.75	715.22
Commission on Imports		30.40		34.93
Jobwork Charges		298.33		735.24
Power & Fuel Consumed :				
Opening Stock	9.42		11.84	
Add : Purchases	5607.56		2560.76	
	5616.98		2572.60	
Less: Closing Stock	15.87	5601.11	9.42	2563.17
Repairs & Maintenance :				
Machinery	625.73		39.79	
Building	22.17		21.14	
Others	2.58	650.48	1.23	62.17
Wages		1439.61		1063.04
Transport Charges		44.61		44.74
Factory Expenses		397.59		153.02
Advertisement Expenses		59.48		27.05
Audit Fees*		5.00		5.00
Sales Commision		532.79		439.72
Computer Maintenance Expenses		51.97		37.29
Corporate Social Responsibility contribution		31.58		68.01
Donation		2.40		0.51
General/ Miscellaneous Expenses		100.78		67.86
Insurance Expenses		248.45		125.34
Legal & Professional Charges		267.46		159.65
Loss on Sale of Fixed Assets		0.26		1.42
Postage and Telephone Expenses		55.33		42.19
Printing and Stationary Expenses		28.72		21.62
Rent,Rate and Taxes		255.55		148.98
Selling Expenses		5908.33		2443.52
Sundry Balances Written off		-		0.67
Travelling, Conveyance and Vehicle Expenses		476.92		241.91
		1,82,64,54,847		**92,02,26,471**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
***Audit Fees**				
As auditors - Statutory audit / Tax Audit		5.00		5.00
Taxation Matters		-		-
Company Law Matters		-		-
Certification fees & other services		-		-
Reimbursement of expenses		-		-
		5.00		**5.00**

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
NOTE NO : 34				
Tax expense :				
(1) Current Tax (Including Short/Excess provision of earlier years)		-		0.95
(2) Deferred Tax		787.25		493.69
		787.25		**494.65**

	Amount (₹ in Lakhs)	31.03.2022 (₹ in Lakhs)	Amount (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)
Reconciliation of the Income Tax Expense (Current Tax + Deferred Tax) amount considering the enacted Income Tax Rate and effective Income Tax Rate of the Company as follows.				
Enacted Income Tax Rate in India applicable to the Company	25.168%		25.168%	
Accounting Profit Before Tax	3067.71		1866.48	
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	772.08		469.75	
Non deductible expenses for Tax Purpose	642.03		277.60	
Deductible Expenses for Tax purposes	-1414.12		-747.36	
Excess Provision of earliar years written back	-		0.95	
A : Current tax as reported in the Statement of Profit and Loss		-		0.95
Reconciliation of Deferred Tax Liability				
Timing Difference of Depreciation (Deferred tax liability)	975.15		685.93	
Gratuity Payment (Deferred Tax Liability)	-3.75		0.08	
Capital gain on land revaluation-Deferred Tax Liability)	-6.56		-2.18	
On Unabsorbed Depreciation	-177.60		-190.13	
B : Deferred tax as reported in the Statement of Profit and Loss		787.25		493.69
C : Total Tax expense as reported in the Statement of Profit and Loss C=A+B		**787.25**		**494.65**

	31.03.2022 (₹ in Lakhs)		31.03.2021 (₹ in Lakhs)
NOTE NO : 35			
Earnings Per Share :			
Basic/Diluted Earnings per Share			
Number of Equity Shares at the beginning of the year	199.08		149.31
Number of Equity Shares alloted during the year	-		49.77
Total Number of Equity Shares at the end of the year	199.08		199.08
Weighted average number of equity shares	199.08		169.21
Profit for the year (after tax,available for equity shareholders) In ₹	2280.47		1371.83
Basic and Diluted Earnings Per Share ₹	**11.45**		**8.11**

PANKAJ R. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

36. Capital Commitments and Contingent Liabilites:

a. <u>Contingent liabilities</u> :

(1) Claims against the Company not acknowledged as debts:

Particulars
1. Disputed Excise Demand Matter Under Appeal ₹ **72.12 Lakhs (P.Y. ₹ 72.12 Lakhs)**
2. Disputed Custom Duty Matter Under Appeal ₹ **27.56 Lakhs (P.Y. ₹ 27.56 Lakhs)**
3. Disputed Sales Tax/VAT matter Under Appeal ₹ **Nil Lakhs (P.Y. ₹ 15.81 Lakhs)**

Note:

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

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

(2) Outstanding Letters of Credit ₹ 157.93 Lakhs (P.Y. ₹ 88.70 Lakhs)

(3) Outstanding Bank Guarantee ₹ 685.98 Lakhs (P.Y. ₹ 953.13 Lakhs)

(b) <u>Commitments</u>:

(1) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, ₹ **874.76 Lakhs** (previous year ₹ 724.85 Lakhs).

(2) EPCG Commitments

Future export obligations/commitments under import of Capital Goods at Concessional rate of customs duty. As at 31st March, 2022 ₹ **18627.67 Lakhs** (Previous Year ₹ 20336.63 Lakhs).

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

(i) Categories of Financial Instruments

(₹ In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	8494.69	5990.88
(ii) Cash and Cash Equivalents	51.50	155.90
(iii) Loans	8.26	8.26
(iv) Other Financial Assets	1024.18	661.55
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	41962.16	37866.71
(ii) Trade Payables	8798.20	8029.17
(iii) Other Financial Liabilities	964.88	927.80

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets. **Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).** Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL (Fair Value through Profit or Loss) investments, trade payables, trade receivables, etc.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

37. Financial and derivative instruments

- Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings including lease obligations less cash and cash equivalents, other bank balances.

The table below summaries the capital, net debt and net debt to equity ratio of the Company.

(₹ In Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Equity Share capital	1991.00	1973.44
Other Equity	26687.69	24441.28
Total Equity	**28678.69**	**26414.72**
Interest-bearing loans and borrowings	41962.16	37866.71
Less : Cash and cash equivalents	51.50	155.90
Less: Bank balances other than above	558.47	1007.43
Net Debt	**41352.19**	**36703.38**
Gearing Ratio	***1.44***	***1.39***

Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

(a) For hedging currency

Particulars	As at March 31,2022 (₹ in Lakhs)	As at March 31,2021 (₹ in Lakhs)
Outstanding Forward Contract	386.18	268.37

(b) The year-end foreign currency exposure that have not been hedged by any derivative instruments or otherwise are as under.

Particular	Amount receivable in Foreign Currency		Amount Payable in Foreign Currency	
	Foreign Currency (in Millions)	Indian Currency (₹ in Lakhs)	Foreign Currency (in Millions)	Indian Currency (₹ in Lakhs)
31-03-2022	2.516454 USD	1907.41	17.602992 USSD 12.726694 EURO 0.562560 JPY	24064.23
31-03-2021	1.3193206 USD	964.62	17.07772 USD 14.089911 EURO	24610.04

Sensitivity to Risk

A change of 5% in foreign currency would have following Impact on profit before tax

(₹ In Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	-667.13	667.13	-624.32	624.32
EURO	-535.91	535.91	-606.18	606.18
JPY	-0.17	0.17	-	-

Interest Rate Risk

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities

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based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.
The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(₹ In Lakhs)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2022				
Borrowings	13344.44	8342.12	20275.59	41962.16
Trade Payables	8789.68	8.52	--	8798.20
Other Financial Liabilities	100.84	864.04	--	964.88
Total	**22234.96**	**9214.69**	**20275.59**	**51725.24**
As at 31st March, 2021				
Borrowings	8345.60	17179.74	12341.37	37866.71
Trade Payables	7984.47	44.70	--	8029.17
Other Financial Liabilities	114.35	813.45	--	927.80
Total	**16444.42**	**18037.89**	**12341.37**	**46823.68**

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 4 and 8, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organization to ensure proper attention and focus for realization.

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(₹ In Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March,2022				
Loans to Employees	--	8.26	--	8.26
Trade Receivables	8255.92	238.76	--	8494.69
Other Financial Assets	--	--	1.25	1.25
Total	**8255.92**	**247.02**	**1.25**	**8504.19**
As at 31st March,2021				
Loans to Employees	--	8.26	--	8.26
Trade Receivables	5753.65	237.23	--	5990.88
Other Financial Assets	--	--	1.25	1.25
Total	**5753.65**	**245.48**	**1.25**	**6000.38**

38. The Previous year's figures have been regrouped, reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

39. The Company has sought Balance Confirmations from trade receivables and trade payables wherever such balance, confirmations are received by the company, the same are reconciled and appropriate adjustments if requested are made in the books of account.

40. Export Promotion Capital Goods (EPCG)

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

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41. Operating Segment :

a) Decorative Laminated Sheets
b) Medium Density Fiber Board
c) Polyvinyl Chloride Boards

Identification of segments:

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment has been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter segment transfer:

Inter segment revenues are recognized at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Segment wise Revenue, Results and capital employed

Primary business segments – Revenue by nature of products:

(₹ In Lakhs)

Details	**2021-22**	**2020-21**
Decorative Laminated Sheets	17729.94(*)	16277.51(*)
Medium Density Fiber Board	42963.78	15473.75(*)
Polyvinyl Chloride Boards	763.88 (*)	752.24(*)
Total	**61457.60**	**32503.50**

(*) Does not include trading Sales of ₹ 235.79 Lakhs (Previous year ₹ 207.09 Lakhs)

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Revenue by geographical regions

(i) Decorative Laminate Sheets

(₹ In Lakhs)

Details	2021-22	2020-21
India	7029.69	5862.40
Outside India	10700.26	10415.10
Total	**17729.94**	**16277.51**

(*) Does not include Trading sales of ₹ 233.94 Lakhs (Previous year ₹ 133.04 Lakhs)

(ii) Medium Density Fibre Board

(₹ In Lakhs)

Details	2021-22	2020-21
India	40003.49	15423.08
Outside India	2960.29	50.66
Total	**42963.78**	**15473.75**

(*) Does not include Trading sales of ₹ Nil Lakhs (Previous year ₹ 59.85 Lakhs)

(iii) Polyvinyl Chloride Boards

(₹ In Lakhs)

Details	2021-22	2020-21
India	763.88	751.13
Outside India	-	1.10
Total	**763.88**	**752.24**

(*) Does not include Trading sales of ₹ 1.84 Lakhs (Previous year ₹ 14.21 Lakhs)

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Segment wise Revenue (Gross), Results, Assets and Liabilities

(₹ In Lakhs)

Sr. No.	Particulars	Year ended on 31.03.2022	Year ended on 31.03.2021
1	**Segment Revenue (Gross)**		
a	Laminates & allied products	18974.36	17560.22
b	Particle Board	-	-
c	Medium Density Fiber Board	43442.64	15592.41
d	Polyvinyl Chloride Boards	765.72	766.44
e	Unallocated	-	-
	Total	**63182.72**	**33919.07**
	Less: Inter segment revenue	765.82	374.69
	Gross sales from Operations	**62416.90**	**33544.38**
2	**Segment Results**		
	Profit before Interest and Tax:		
a	Laminates & allied products	1098.90	1736.47
b	Particle Board	-	149.79
c	Medium Density Fiber Board	4336.41	1478.74
d	Polyvinyl Chloride Boards	-186.75	-128.65
e	Unallocated	-	-
	Total	**5248.57**	**3236.35**
	Less:		
i	Interest	2030.84	1241.90
ii	Other Unallocable expenditure	150.01	127.97
iii	Tax Expense	787.25	494.65
	Add:		
i	Unallocable income	-	-
	Total Profit After Tax and Other Comprehensive Income	**2280.47**	**1371.83**
3a	**Segment Assets**		
a	Laminates	17771.17	16216.26
b	Particle Board	256.84	256.84
c	Medium Density Fiber Board	68003.57	61633.51
d	Polyvinyl Chloride Boards	2644.43	2736.19
e	Unallocated	-	-
	Total Segment Assets	**88676.01**	**80842.80**
3b	**Segment Liabilities**		
a	Laminates	6489.25	6604.71
b	Particle Board	41.80	43.21
c	Medium Density Fiber Board	11356.31	9645.26
d	Polyvinyl Chloride Boards	147.79	268.20
se	Unallocated	-	-
	Total Segment Liabilities	**18035.16**	**16561.38**

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42. Related Party Disclosure as per Ind AS 24:

(a) Names of related parties, and description of relationship, with whom transaction have taken place during the year:

Sr. No.	Nature of Relationship	Name of Related Parties
1	Enterprises over which Key Managerial person is able to exercise significant influence	Rushil International – Partnership Firm Surya Panel Private Limited Vir Studdio Private Limited (OPC) Ratnatej Infrastructure Private Limited Ghanshyam Forwarder Private Limited Shri Krupa Decorative Veneer Pvt. Ltd. Decoply Agency Ghanshyam Sales Agency Vir Decorative Sheets Pvt. Ltd. Association of Indian Panelboard Manufacturer Indian Laminats Manufcaturers Association Kuru Food Labs LLP Ghanshyam Parivar Trust
2	Key Managerial Person	Mr. Ghanshyam A. Thakkar - Whole Time Director (ceased w.e.f. 25th August 2021 due to Death) Mr. Krupesh G. Thakkar – Chairman and Managing Director Mr. Rushil K. Thakkar – Director (appointed w.e.f. 13th August 2021) Mr. Ramnik T. Kansagara – Executive Director Mr. Shankar Prasad Bhagat – Non-Executive Director Mr. Rohit B. Thakkar – Non-Executive Director (ceased w.e.f. 3rdJuly 2021due to Death) Mrs. Jingle Piyush Thakkar - Non-Executive Director (resigned w.e.f. 21st November 2019) Miss Archee D. Thakkar - Non-Executive Director Mr. Keyur M. Gajjar - Chief Executive Officer Mr. Vipul S. Vora – Ex-Chief Financial Officer (up to 18th March 2022) Mr. Hiren Padhya - Chief Financial Officer (w.e.f. 19th March 2022) Mr. Hasmukh K. Modi – Company Secretary Mr. Kantilal A Puj – Non-Executive Independent Director (appointed w.e.f. 13th August 2021)
3	Relative of Key Managerial Person	Ghanshyambhai A. Thakkar HUF Krupeshbhai G. Thakkar HUF Ambalal D. Thakkar HUF Krupaben K. Thakkar Dinuben G. Thakkar Masumi K. Thakkar Rushvi R. Thakkar Harsh R. Patel Mrunal K. Gajjar Viresh N. Thakkar Alkaben Thakkar (Sister of Krupeshbhai) Snehal K Thakkar (Huf) Alpaben Thakkar (Sister Of Krupeshbhai) Snehal K Thakkar

Note:- Related parties have been identified by the management.

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Related Party Transactions for the Year Ended on 31.03.2022

₹ in Lakhs

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
Financial Year -->	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(A) Volume of Transactions								
1) Sales of Goods								
Surya Panel Private Limited	1581.34	311.49	-	-	-	-	1581.34	311.49
Rushil International	-	156.50	-	-	-	-	-	156.50
Mr. Keyur M. Gajjar	-	-	-	0.01	-	-	-	0.01
2) Jobwork Charges Paid								
Surya Panel Private Limited	99.53	574.97	-	-	-	-	99.53	574.97
3) Goods Purchased								
Rushil International	-	54.28	-	-	-	-	-	54.28
Surya Panel Private Limited	1377.70	36.49	-	-	-	-	1377.70	36.49
4) Director Sitting Fees								
Rohit B Thakkar	-	-	0.10	0.25	-	-	0.10	0.25
Shankar Prasad Bhagat	-	-	0.74	0.15	-	-	0.74	0.15
Puj Kantilal Ambalal	-	-	0.64	-	-	-	0.64	-
Archee D. Thakkar	-	-	0.87	0.30	-	-	0.87	0.30
5) Finance Charges								
Rushil International	-	-	-	-	-	-	-	-
5) Loan Taken/ Granted								
(A) Loan Taken								
i) Ghanshyambhai Thakkar-HUF								
Loan taken	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-
Balance at 31stMarch	-	-	-	-	-	-	-	-
Balance at 1st April	-	-	-	-	-	-	-	-
i) Ambalal D. Thakkar-HUF								
Loan taken	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	0.68	-	0.68
Balance at 31stMarch	-	-	-	-	-	-	-	-
Balance at 1st April	-	-	-	-	-	0.68	-	0.68
ii) Krupeshbhai G. Thakkar-HUF								
Loan taken	-	-	-	-	9.96	8.47	9.96	8.47
Loan repaid	-	-	-	-	7.94	11.10	7.94	11.10
Balance at 31stMarch	-	-	-	-	7.95	5.94	7.95	5.94
Balance at 1st April	-	-	-	-	5.94	8.57	5.94	8.57
iii) Dinuben G. Thakkar								
Loan taken	-	-	-	-	74.99	68.64	74.99	68.64
Loan repaid	-	-	-	-	0.08	28.11	0.08	28.11
Balance at 31stMarch	-	-	-	-	116.92	42.00	116.92	42.00
Balance at 1st April	-	-	-	-	42.00	1.47	42.00	1.47
iv) Krupaben K. Thakkar								
Loan taken	-	-	-	-	6.09	23.59	6.09	23.59
Loan repaid	-	-	-	-	0.92	48.77	0.92	48.77
Balance at 31stMarch	-	-	-	-	9.40	4.23	9.40	4.23
Balance at 1st April	-	-	-	-	4.23	29.40	4.23	29.40
v) Rushil K. Thakkar								
Loan taken	-	-	33.41	28.73	-	-	33.41	28.73
Loan repaid	-	-	19.08	33.38	-	-	19.08	33.38
Balance at 31stMarch	-	-	17.92	3.59	-	-	17.92	3.59
Balance at 1st April	-	-	3.59	8.23	-	-	3.59	8.23

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

Related Party Transactions for the Year Ended on 31.03.2022

₹ in Lakhs

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
Financial Year -->	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
vi) Mr. Krupesh G. Thakkar								
Loan taken	-	-	1287.30	318.26	-	-	1287.30	318.26
Loan repaid	-	-	521.68	750.16	-	-	521.68	750.16
Balance at 31stMarch	-	-	793.56	27.94	-	-	793.56	27.94
Balance at 1st April	-	-	27.94	459.84	-	-	27.94	459.84
vii) Mr. Ghanshyam A. Thakkar								
Loan taken	-	-	33.53	161.33	-	-	33.53	161.33
Loan repaid	-	-	70.98	276.44	-	-	70.98	276.44
Balance at 31stMarch	-	-	-	37.45	-	-	-	37.45
Balance at 1st April	-	-	37.45	152.55	-	-	37.45	152.55
viii) Viresh Natvarlal Thakkar								
Loan taken	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-
Balance at 31stMarch	-	-	-	-	2.05	2.05	2.05	2.05
Balance at 1st April	-	-	-	-	2.05	2.05	2.05	2.05
ix) Rushil International								
Loan taken	4701.80	1910.42	-	-	-	-	4701.80	1910.42
Loan repaid	4792.06	4308.41	-	-	-	-	4792.06	4308.41
Balance at 31stMarch	2871.75	2962.01	-	-	-	-	2871.75	2962.01
Balance at 1st April	2962.01	5360.00	-	-	-	-	2962.01	5360.00
x) Rushvi R. Thakkkar								
Loan taken	-	-	-	-	0.76	1.72	0.76	1.72
Loan repaid	-	-	-	-	-	1.02	-	1.02
Balance at 31stMarch	-	-	-	-	8.46	7.69	8.46	7.69
Balance at 1st April	-	-	-	-	7.69	7.00	7.69	7.00
xi) Kaushik Thakkar								
Loan taken	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-
Balance at 31stMarch	-	-	16.00	16.00	-	-	16.00	16.00
Balance at 1st April	-	-	16.00	16.00	-	-	16.00	16.00
6) Managerial Remuneration								
Mr. Ghanshyam A. Thakkar	-	-	44.64	100.00	-	-	44.64	100.00
Mr. Krupesh G. Thakkar	-	-	120.01	100.01	-	-	120.01	100.01
Mr. Ramnik T. Kansagara	-	-	26.68	22.22	-	-	26.68	22.22
Rushil K. Thakkar	-	-	68.47	22.31	-	-	68.47	22.31
7) Dividend Paid								
Mr. Ghanshyam A. Thakkar	-	-	10.84	12.15	-	-	10.84	12.15
Mr. Krupesh G. Thakkar	-	-	15.31	13.12	-	-	15.31	13.12
Krupeshbhai Thakkar HUF	-	-	-	-	10.01	8.48	10.01	8.48
Dinuben G. Thakkar	-	-	-	-	1.78	1.50	1.78	1.50
Krupaben K. Thakkar	-	-	-	-	2.03	1.72	2.03	1.72
Rushil K. Thakkar	-	-	-	-	1.50	1.27	1.50	1.27
Rushil International	13.30	11.26	-	-	-	-	13.30	11.26
Mrunal K. Gajjar	-	-	-	-	0.06	0.04	0.06	0.04
Hasmukh K. Modi	-	-	0.00	0.00	-	-	0.00	0.00

PANKAJ R. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD

Related Party Transactions for the Year Ended on 31.03.2022

₹ in Lakhs

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
Financial Year -->	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
8) Interest Expenses								
Mr. Krupesh G. Thakkar	-	-	-	30.79	-	-	-	30.79
Krupeshbhai Thakkar HUF	-	-	-	-	1.05	0.71	1.05	0.71
Dinuben G. Thakkar	-	-	-	-	8.79	0.70	8.79	0.70
Ambalal D. Thakkar-HUF	-	-	-	-	-	-	-	-
Krupaben K. Thakkar	-	-	-	-	0.68	3.28	0.68	3.28
Rushil K. Thakkar	-	-	1.04	0.76	-	-	1.04	0.76
Rushvi R. Thakkar	-	-	-	-	0.85	0.75	0.85	0.75
Mr. Ghanshyam A. Thakkar	-	-	1.67	11.15	-	-	1.67	11.15
Rushil International	51.57	139.86	-	-	-	-	51.57	139.86
9) Salary to Relatives of Key Management Personal & Director								
Krupaben K. Thakkar	-	-	-	-	57.73	48.11	57.73	48.11
Rushvi R. Thakkar	-	-	-	-	14.77	12.31	14.77	12.31
Harsh R. Patel	-	-	-	-	5.79	4.18	5.79	4.18
10) Salary to Key Management Personal								
Mr. Keyur M. Gajjar	-	-	76.21	55.85	-	-	76.21	55.85
Mr. Vipul S. Vora	-	-	47.80	43.39	-	-	47.80	43.39
Mr. Hiren Padhya	-	-	1.82	-	-	-	1.82	-
Mr. Hashmukh K. Modi	-	-	23.70	19.96	-	-	23.70	19.96
11) Lease Rent Expense								
Ratnatej Infrastructure Private Limited	1.20	1.20	-	-	-	-	1.20	1.20
Mr. Krupesh G. Thakkar	-	-	144.00	85.61	-	-	144.00	85.61
Rushil K. Thakkar	-	-	5.40	5.40	-	-	5.40	5.40
12) Lease Rent Deposit Received Back								
Ratnatej Infrastructure Private Limited	-	30.31	-	-	-	-	-	30.31
13) Interest Income on Lease Rent Deposit								
Ratnatej Infrastructure Private Limited	-	-	-	-	-	-	-	-
13) Royalty paid								
Vir Studdio Private Limited (OPC)	1.00	1.00	-	-	-	-	1.00	1.00
14) Royalty Income								
Ghanshyam Forwarders Pvt Ltd	0.29	-	-	-	-	-	0.29	-
15) Payment for Reimbursement of Company's Petrol Expense								
Masumi Thakkar	-	-	-	-	-	11,343	-	11,343
16) CSR Expense								
Ghanshyam Parivar Trust	20.63	2.02	-	-	-	-	20.63	2.02
17) Advertisement Expense								
INDIAN LAMINATE MANUFACTURERS ASSOCIATION	0.21	-	-	-	-	-	0.21	-
18) Staff Welfare Expense								
Kuru Food Lab LLP	0.04	-	-	-	-	-	0.04	-

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RUSHIL DECOR LTD

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Related Party Transactions for the Year Ended on 31.03.2022

₹ in Lakhs

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
Financial Year -->	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(B) Outstandings								
a) Payable (Trade Payables and Other Liabilities)								
Vir Studdio Private Limited	1.02	-	-	-	-	-	1.02	-
b) Receivable (Trade Receivables)								
Ghanshyam Forwarders Private Limited	0.32	-	-	-	-	-	0.32	-
INDIAN LAMINATE MANUFACTURERS ASSOCIATION	0.27	0.27	-	-	-	-	0.27	0.27
Security Deposit (Lease Rent Deposit Receivable)								
Ratnatej Infrastructure Private Limited	32.00	32.00	-	-	-	-	32.00	32.00

Note: The remuneration of directors and other member of Key Management Personal during the year is short term benefits.

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43. In the opinion of the board, current assets, loans and advances are approximately of the value if realized in the ordinary course of business.

44. **Disclosures Regarding Employee Benefits**

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

(₹ In Lakhs)

Particulars	2021-22	2020-21
Employers contribution to provident fund	127.00	80.56

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

(iii) Major risk to the plan

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

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Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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(iv) **Defined Benefit Cost**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
	(₹ In Lakhs)	(₹ In Lakhs)
Current Service Cost	63.38	58.06
Interest Expense on Defined Benefit Obligation (DBO)	16.88	15.95
Defined Benefit Cost included in Profit and Loss		
Remeasurements - Due to Financial Assumptions	(18.63)	10.24
Remeasurements - Due to Experience Assumptions	-	-
Remeasurements - Due to Experience Adjustments	9.54	(38.29)
Return on plan assets excluding amounts included in interest income	(0.80)	(3.70)
Defined Benefit Cost included in Other Comprehensive Income	(9.90)	(31.76)
Total Defined Benefit Cost in Profit and Loss and OCI	70.36	42.26

(v) **Movement in Defined benefit liability:**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
	(₹ In Lakhs)	(₹ In Lakhs)
Opening Defined Benefit Obligation	301.72	270.27
Interest Expense on Defined Benefit Obligation (DBO)	-	-
Current Service Cost	80.26	74.01
Total Remeasurements included in OCI	(9.90)	(31.76)
Less: Benefits paid	(45.57)	(10.81)
Less: Contributions to plan assets	-	-
Closing benefit obligation	**326.51**	**301.72**
Current Liabilities of Closing benefit obligation	75.74	63.38
Non-Current Liabilities of Closing benefit obligation	250.77	238.34

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(vi) **Sensitivity Analysis of Defined Benefit Obligation:**

(₹ In Lakhs)

Under Base Scenario		2021-22	2020-21
(A)	Discount Rate Sensitivity		
	Increase by 0.5%	463.65	430.82
	(% change)	-3.31%	-3.25%
	Decrease by 0.5%	496.39	460.76
	(% change)	3.52%	3.47%
(B)	Salary Growth Rate Sensitivity		
	Increase by 0.5%	492.14	456.70
	(% change)	2.63%	2.56%
	Decrease by 0.5%	467.18	433.50
	(% change)	-2.57%	-2.65%
(C)	Withdrawal Rate (W.R.) Sensitivity		
	W.R. x 110%	475.50	440.34
	(% change)	-0.84%	-1.11%
	W.R. x 90%	483.83	450.65
	(% change)	0.90%	1.20%

(vii) **Actuarial assumptions:**

(₹ In Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Mortality Table : Indian Assured Lives Mortality (2006-08) Table		
Discount Rate (per annum)	6.80%	6.25%
Rate of escalation in salary (per annum)	10.00%	10.00%
Withdrawal rate	15.00% p.a at younger ages reducing to 10.00% p.a% at older ages	15.00% p.a. at younger ages reducing to 10.00% p.a. % at older ages
Rate of Return on Plan Assets	6.80% per annum	6.25% per annum

(viii)The above details are certified by the actuary.

45. Corporate Social Responsibility Contribution

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects and other activities as mentioned in Schedule VII of the Companies Act, 2013. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

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(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1) Amount required to be spent by the company during the year	40.83	57.03
2) Amount of expenditure incurred (i) Construction/acquisition of any asset (ii) On purposes other than (i) above	 0.00 31.58	 0.00 68.01
3) Shortfall at the end of the year(**)	9.25	0.00
4) Total of previous years shortfall	0.00	0.00
5) Reason for shortfall (**)	Pertains to an ongoing projects	-
6) Nature of CSR activities	Animal Welfare, Disaster Relief, Education, Environmental Sustainability, Eradicating Hunger, promoting health care, contribution towards old age homes, promoting rural sports, Rural development projects, Contribution towards the benefit of war widows, making available safe drinking water, and socio economic development.	
7) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard (*)	20.63	2.02
8) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

*Represents contribution to Ghanshyam Parivar Trust to support the activity relating to Animal Welfare, Eradicating Hunger, Education, Environmental Sustainability and betterment of old age homes and other activities as mentioned in the schedule VII of the Companies Act, 2013.

** Amount of ₹19.07 Lakhs pertains to an ongoing project, has been transferred to special account with in a period of 30 days from the end of Financial Year in compliances of provisions 135(6) of the Act.

46. Disclosure under Ind AS 115 Revenue

The Company has recognized the following amounts relating to revenue in the statement of profit or loss:

(₹ In Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from contracts with customers	61693.39	32710.59
Total revenue	**61693.39**	**32710.59**

Revenue is recognized upon transfer of control of products to customers.

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(a) Disaggregation of revenue from contracts with customers

Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from	**61693.39**	**32710.59**
- Outside India	13660.55	10466.87
- In India	48032.84	22243.72

No single customer contributed 10% or more to the company's revenue for 2021-22 and 2020-21.

All assets are located in the Company's country of Domicile.

(b) Contract assets and liabilities

(₹ In Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Contract Assets	8494.69	5990.88
Total Contract Assets	**8494.69**	**5990.88**
Contract Liability	498.49	198.56
Total Contract Liability	**498.49**	**198.56**

(a) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

47. Deferred Tax Assets/(Liability)

The breakup of Deferred Tax as at 31.03.2022 is as under.

(₹ In Lakhs)

Particulars	Amount (As on 31st March 2022)	Amount (As on 31st March 2021)
Deferred Tax Liabilities.		
- Timing Difference of Depreciation	3617.40	2642.24
- Capital gain on land revaluation	447.01	453.57
Deferred Tax Assets.		
- Gratuity Payment	82.18	75.94
- Unabsorbed Depreciation	367.73	190.13
Net Deferred Tax Liability	**3614.50**	**2829.74**

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48. During the year 2018-19, the company had issued 190372 equity share of ₹ 10 each at a premium of ₹ 935/- each on preferential basis to Mr. Rakesh Arora (No of shares 105822) and Mr. Manish Srivastava (No of Shares 84550) on 28th April 2018. The company has received share application money from Mr. Manish Srivastava who based in Singapore. Mr. Manish Srivastava has given Share application money of ₹ 799 Lakhs, while remitting the fund, in the FIRC (Foreign Inward Remittance Certificate), but due to technical error there was a mistake in filing form with authority, by mistake it was written as Repayment of loan instead of Share application money and hence the same requires correction from the remitting bank of Mr. Manish Srivastava. Mr. Manish Srivastava was allotted 84550 equity shares of ₹ 10 each at premium of ₹ 935 making total allotment including premium of ₹ 798.9975 Lakhs and hence there was a surplus of ₹ 0.0025 Lakh which the company has asked their banker to refund the said amount to Mr. Manish Srivastava but because of non-compliance of submitting Form FC-GPR to be filed by collecting bank i.e. Axis Bank with Reserve Bank of India, this amount could not be refunded. In spite of repeated reminder to the shareholder Mr. Manish Srivastava, has not got its FIRC Corrected and hence due to the technical difficulty faced by the company and due to no fault on the part of the company the said Share application money to the extent refundable is not treated as Violation of Section 73 of the Companies Act, 2013. Till the date of signing the audit report the said Share application Money of ₹ 0.0025 Lakh is lying with Axis Bank as non-refunded to shareholder. Thus company has shown ₹ 0.0025 Lakh as share application money (Refundable) under the head "Other Financial Liabilities" in note No 22 of Notes forming part of Standalone financial statement.

49. During the year 2020-21, the company has sold its part land of Navalgadh unit resulted in gain of ₹ 152.18 Lakhs. The said gain is reflected under the exceptional item in the statement of Profit & Loss.

50. **Undisclosed Transactions**
As stated & confirmed by the Board of Directors, The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

51. **Benami Transactions**
As stated & confirmed by the Board of Directors, The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

52. **Loan or Investment to Ultimate Beneficiaries**
As stated & Confirmed by the Board of Directors, The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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53. Loan or Investment from Ultimate Beneficiaries

As stated & Confirmed by the Board of Directors ,The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

54. Utilization of Term Loans

The company has applied term loans for the purpose for which the same was obtained during the year.

55. Willful Defaulter

As stated & Confirmed by the Board of Directors, The company has not been declared willful defaulter by the bank during the year under review.

56. Transactions with Struck off Companies

As stated & Confirmed by the Board of Directors ,The company has not under taken any transactions nor has outstanding balance with the company Struck Off either under section 248 of the Act or under Section 560 of Companies act 1956.

57. Working Capital

The Company has been sanctioned working capital limits from a bank on the basis of security of the current assets. Revised Quarterly returns or statements filed by the company with such bank are in agreement with the books of accounts.

58. Satisfaction of Charge /Creation of Charge

As stated & Confirmed by the Board of Directors, The Company does not have any pending registration or satisfaction of charges with ROC beyond the statutory period.

59. Crypto Currency

As stated & Confirmed by the Board of Directors, The Company has not traded or invested in Crypto Currency or Virtual Currency.

60. Compliance with approved Schemes of Arrangements

The Company has not applied for any scheme of Arrangements under sections 230 to 237 of the Companies Act 2013.

61. The Company has assessed internal and external information upto the date of approval of the audited financial statements while reviewing the recoverability of assets, adequacy of financial resources, Performance of contractual obligations, ability to service the debt and liabilities etc. Based on such assessment, the company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts and obligations. Hence the management does not envisage any material impact on the audited financial statements of the company for the year ended on 31st March 2022.

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62. Ratio Analysis

Particulars	Numerator	31st March 2022	31st March 2021	Denominator	31st March 2022	31st March 2021	31st March 2022	31st March 2021	Variation	Reasons
Current Ratio	Current Assets	27665.20	19251.03	Current Liabilities	25906.09	20078.78	1.07	0.96	11.38%	
Debt Equity Ratio	Borrowings	41962.16	37866.71	Share Holder's Equity	28678.69	26414.72	1.46	1.43	2.07%	
Debt Service Coverage Ratio	Earnings available for debt Service (Refer Note i below)	6748.38	3588.39	Debt Service	6844.91	4161.06	0.99	0.86	14.32%	
Return on Equity (ROE):	Net Profit after Taxes	2280.47	1371.83	Average Shareholder's Equity	27546.70	24627.37	8.28%	5.57%	48.62%	Profit after tax has been increased mainly due to Increase in Turnover by 86% as compared to previous year because of Starting of operations of New MDF Plant at Andhra Pradesh.
Inventory Turnover Ratio	Revenue from Operation	62416.90	33544.38	Average Invnetory	11984.80	8492.84	5.21	3.95	31.86%	Inventory turnover ratio has been increased mainly due to Increased Sales of MDF segment - due to Starting of operations of New MDF Plant at Andhra Pradesh and - Increase in Sales by 53% from current plant at Chikmangaluru. The same has lead to effective utilisation of Inventory during the year.

62. Ratio Analysis

Particulars	Numerator	31st March 2022	31st March 2021	Denominator	31st March 2022	31st March 2021	31st March 2022	31st March 2021	Variation	Reasons
Trade receivable Turnover Ratio	Revenue from Operations	62416.90	33544.38	Average Trade Receivables	7242.78	6168.81	8.62	5.44	58.48%	Trade Receivable Turnover Ratio has been improved by 58 % due to - timely collection from Customers and - Due to rise in Turnover of MDF Segment by 177% which is having lower credit period.
Trade Payable Turnover Ratio	Purchases	57497.57	26757.89	Average Trade Payables	8413.69	7616.59	6.83	3.51	94.52%	As a result of Increased Turnover of MDF segment by 177% which is due to New Plant at Andhra Pradesh, and better and timely realisation of money from customers, company was able to make timely payments to its raw material suppliers and serivce providers as compared to previous year. This has improved Trade Payable Ratio.
Net Capital Turnover Ratio	Revenue from Operations	62416.90	33544.38	Working Capital	1759.10	-827.75	35.48	-40.52	-187.56%	Net Capital Turnover Ratio has been increased due to requirement of Working Capital because of Increase in MDF Turnover by 177% and Operationalisation of New MDF Manufacturing Plant at Andhra Pradesh.
Net Profit Ratio	Net Profit	2280.47	1371.83	Revenue from Operations	62416.90	33544.38	3.65%	4.09%	-10.66%	
Return on Capital Employed	Earning Before Interest and Tax	5098.56	2956.20	Capital Employed	72422.34	65308.36	7.04%	4.53%	55.53%	Earning before Interest and Tax have been increased mainly due to Increased Turnover of MDF by 177% and Laminate by 8% and Operationalisation of New MDF Manufacturing Plant at Andhra Pradesh.

Note i: Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

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63. The financial statements were authorized for issue by the directors on 24th May 2022.

- : Significant accounting policies – A : -
- : Notes To Financial Statements 1 to 63 : -

For Pankaj R Shah & Associates
Chartered Accountants
Firm Reg. No. 107361W

[CA Nilesh Shah]
Partner
M. No. 107414
UDIN: 22107414ALXUDI9116

For and on behalf of the Board
Rushil Décor Limited

[Krupeshbhai G.Thakkar]
Chairman
DIN: 01059666

[Rushil K. Thakkar]
Director
DIN: 06432117

Place: Ahmedabad
Date: 24th May 2022

[K. M. Gajjar]
Chief Executive Officer

[H. B. Padhya]
Chief Financial Officer

[H. K. Modi]
Company Secretary

MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since September 30, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

a) the *erstwhile* secretarial auditor of our Company, namely M/s. Shalin Jain & Associates, Company Secretaries, resigned from its position, with effect from October 6, 2022, due to their pre-occupation. Subsequently, the Board of Directors of our Company, in their meeting dated November 8, 2022 appointed M/s. SPANJ & Associates, Practicing Company Secretaries as the secretarial auditor of our Company for the Financial Year 2022-2023.

b) the Board of Directors of our Company in their meeting dated November 8, 2022 appointed Shreyaben Milankumar Shah as an Additional Independent Director of our Company. The appointment of the Additional Independent Director is subject to the approval of the Shareholders through postal ballot.

c) the Board of Directors of the Company in their meeting dated November 8, 2022 approved the proposal relating to setting up of a new unit in vicinity of existing laminate plants in Gujarat to manufacture decorative laminates including bigger size (jumbo size) laminates having aggregate installed capacity of 1.2 million sheets per annum at an approximate outlay of ₹ 6,000 lakhs. The project is proposed to be funded partly from debt and partly from internal accruals. The commercial production of the same is expected to begin by June, 2024.

ACCOUNTING RATIOS

Unless context requires otherwise, the following tables present certain accounting and other ratios derived from the relevant Audited Financial Statements. For details see "*Financial Information*" on page 104.

(₹ in Lakhs)

Particulars	For six month period ended September 30, 2022	For the year ended March 31	
		2022	2021
Basic and Diluted Earnings Per Share (Rs.)			
Basic Earnings Per Share (Basic EPS)			
Net profit / (loss) after tax, attributable to equity shareholders	5,388.03	2,280.47	1,371.83
Weighted average number of Equity Shares outstanding	1,99,07,143	1,99,08,443	1,69,20,948
Basic EPS in Rs.	**27.07**	**11.45**	**8.11**
Face value in Rs.	**10.00**	**10.00**	**10.00**
Diluted Earnings Per Share (Diluted EPS)			
Net profit / (loss) after tax, attributable to equity shareholders	5,388.03	2,280.47	1,371.83
Weighted average number of Equity Shares considered for calculating Diluted EPS	1,99,07,143	1,99,08,443	1,69,20,948
Diluted EPS in Rs.	**27.07**	**11.45**	**8.11**
Face value in Rs.	**10.00**	**10.00**	**10.00**
Net Asset Value Per Equity Share (Rs.)			
Net Asset Value (Net-worth)	33,962.92	28,678.69	26,414.72
Number of equity shares outstanding at the end of the period/year	1,99,06,261	1,99,08,443	1,99,08,443
Number of adjusted equity shares outstanding at the end of the period /year	1,99,07,143	1,99,08,443	1,69,20,948
Net Assets Value per equity share (Rs.)	**170.61**	**144.05**	**132.68**
Return on Net worth			
Net Profit / (loss) after tax	5,388.03	2,280.47	1,371.83
Net worth	33,962.92	28,678.69	26,414.72
Return on net worth	**15.86%**	**7.95%**	**5.19%**
EBITDA			
Profit / (loss) after tax (A)	5,388.03	2,280.47	1,371.83
Income tax expense (B)	1,827.55	787.25	494.65
Finance costs (C)	1,051.19	2,030.84	1,241.90
Depreciation and amortization expense (D)	1,259.87	2,436.81	973.24
EBITDA (A+B+C+D)	**9,526.64**	**7,535.37**	**4,081.62**

The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

Net Profit after tax for the year/period, attributable to equity shareholders
Weighted average number of equity shares outstanding during the year/period

(ii) Net Assets Value (NAV)

Net Asset Value at the end of the year/period
Number of equity shares outstanding at the end of the year/period

(iii) Return on Net worth (%)

Net Profit after tax for the year/period, attributable to equity shareholders
Net worth (excluding revaluation reserve) at the end of the year/period

Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss.

(iv) EBITDA

Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the restated financial statement of profit and loss.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our limited review unaudited financial results for the six month ended September 30, 2022 and September 30, 2021 and our audited consolidated financial statements as of and for the Fiscal 2022 and Fiscal 2021 included in this Draft Letter of Offer. Our limited review unaudited financial results for the quarter ended September 30, 2022 and September 30, 2021 and our audited financial statements for Fiscal 2022 and Fiscal 2021 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Unaudited Financial Results of our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled “Risk Factors” and “Forward-Looking Statements” on pages 21 and 17, respectively.

Our financial year ends on March 31 of each year, so all references to a particular “financial year” and “Fiscal” are to the twelve (12) month period ended March 31 of that year. References to the “Company”, “we”, “us” and “our” in this chapter refer to Rushil Décor Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

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

Our Company is engaged into manufacturing of Laminated Sheets, MDF Board and PVC Foam Board using facilities strategically located at Gujarat, Karnataka and Andhra Pradesh. Our Company manufactures decorative (single sided) as well as industrial (double sided) Laminates with a wide range of designs, colours and finishing in three of its manufacturing plants located at Gujarat having aggregate laminate capacity of 34.92 lakh sheets per annum. Our Company also manufactures standard thick MDF Boards and Pre-lam MDF Boards with thickness ranging from 7 mm to 30 mm at its plant located at Chikmagalur, Karnataka with an installed capacity of 300 CBM per day or 90,000 CBM per annum and PVC Foam Board with thickness ranging 4 mm to 28 mm with an installed capacity of 5,760 MT per annum. Keeping in view the increasing demand of MDF products in the market, our Company has set up an additional manufacturing unit in Andhra Pradesh for manufacturing thin and thick MDF and Prelam MDF with an installed capacity of 800 CBM per day or 2,40,000 CBM per annum with thickness ranging from 2 mm to 30 mm. In the manufacturing facility, our Company will be able to manufacture MDF products in different sizes and dimensions, which will enable us to enter into a niche segment of the market. Our Company has an in-house design team which is responsible for creating new designs for our products as per the market demand.

Our Company adheres to some of the industry’s best quality product accreditations. Our Company has obtained certifications such as ISO 9001:2015, ISO 14001:2015 and ISO 45001: 2018 for Manufacture and Supply of High Pressure Decorative Laminates, Compact Laminates, Kitchen Doors and Drawers for our three (3) manufacturing units located at Mansa, Gujarat, and head office in Ahmedabad, Gujarat as well as for MDF & Pre-lam manufacturing plant located at Atchutapuram, Andhra Pradesh. We have obtained certificates from Bureau of Indian Standards IS 2046:1995 for decorative thermosetting synthetic resin bonded laminated sheets for its Dholakuva and GIDC Mansa Unit. Also, our Company has obtained certificate from Singapore Environment Council for right to use Singapore Green label for “VIR LAMINATE / TIERO/ ICA/ RUSHIL 042-016-1266 as environmentally preferred surface covering.

Our Company has a brand presence and our brands **“VIR LAMINATE”, “VIR MDF”, “VIR PROPLUS”, “VIR MAXPRO”, “VIR PRELAM MDF”, “VIR PVC” and “VIR STUDDIO”** are recognised and respected in the industry. Our Company has created a nationwide network of marketing offices, branches, distributors, depots, consignment agents and dealers across the country for marketing and distribution of Laminated Sheets, MDF Board and PVC Foam Board.

Over the years, we have made continuous investments in our manufacturing infrastructure to support our product portfolio requirements and reach. Our capabilities as a company include internal R&D expertise, state-of-the-art manufacturing capabilities, a strict quality assurance system, modern production designing experience and established marketing and distribution relationships. Our strict compliance with the internal quality control and international standards of quality, has enabled us to expand our operations internationally to countries including Kenya, Kuwait, Qatar, South Africa, Srilanka, UAE, Nepal, Port of Spain, United States of America, Bahrain, Indonesia, Jordan, Malaysia, Mexico, Oman, Philippines, Russia, Saudi Arabia, Singapore, Thailand, Yemen, Sudan, Vietnam, Bangladesh, Ireland, etc.

We have an experienced professional management team under the overall stewardship of Mr. Krupesh Ghanshyambhai Thakkar, one of the Promoters and Chairman & Managing Director who has an experience of more than 30 years in laminate and wood-based industry. He has been awarded with several accolades including, the **“Rajiv Gandhi Shiromani Award” and the “Indira Gandhi Sadbhavana Award”** for his pioneering work and contribution to the nation. Our whole time Director Mr. Rushil K. Thakkar is a young budding entrepreneur with vision and mission to take the Company to a leading position in the business segments of MDF Board, Laminates sheets and several other segments. We also have a team of professionals to manage the core functional areas such as finance, procurement, manufacturing, logistics, sales and marketing, human resources, and information technology.

In the year 2011 our Company made its maiden public issue of 56,43,750 Equity Shares at issue price of ₹ 72/- per Equity Shares aggregating to ₹ 4,063.50 lakhs and consequently the Equity Shares were listed on BSE and NSE. The market capitalization (***full float***) of our Company as on November 30, 2022 was ₹ 79,973.40 lakhs and ₹ 79,734.53 lakhs on BSE and NSE respectively.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled *'Risk Factors'* on page 21. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations of our manufacturing units;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Our ability to maintain and enhance our brand image;
- Our ability to successfully execute our expansion strategy in a timely manner.
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our reliance on third party suppliers for our products;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units; The performance of the financial markets in India and globally;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Audited Financial Statements.

Basis of preparation of financial statements:

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act") (to the extent notified) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 – 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupees ('₹'). Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Property, plant and equipment:

i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses except freehold land which is carried at fair value. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

iv) Property, Plant and Equipment including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on straight line method over its useful life (as per schedule III of the Companies Act 2013)

v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.

vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :

Sr. No	Particulars	Useful lives
1	Buildings	30 to 60 years
2	Plant and Equipments	15 to 25 years
3	Furniture and Fixtures	10 years
4	Vehicles	8 to 10 years
5	Office Equipments	5 to 10 years
6	Others – Computer Hardware	3 to 6 years

viii) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

Intangible assets:

i) Intangible assets acquired by payment e.g. Computer Software is disclosed at cost less amortization on a straight-line basis over its estimated useful life.

ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

iii) Intangible assets are amortised on straight-line method as follows : **Computer Software - 3 years**

iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

Revenue recognition:

i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

ii) Sale of Goods: Revenue from sales of goods is recognized upon transfer of control to the customers. Revenue shown in the Statement of Profit and Loss are excluding of inter-transfers, returns, trade discounts, cash discounts, Goods and Service Tax.

iii) Services: Revenue from Services are recognized as and when the services are rendered.

iv) Export incentives under various schemes are accounted in the year of export.

v) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Employee benefits:

i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

Valuation Of Inventories

i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Stock of Stores and spare parts, and Power & Fuels are valued at cost; and of those in transit and at port related to these items are valued at cost.

iv) Goods-in-process is valued at lower of cost or net realisable value.

v) Stock of Finished goods is valued at lower of cost or net realisable value, and Stock at port is valued at Cost.

vi) Stock-in-trade is valued at lower of cost or net realisable value.

Cashflow Statement:

i) Cash flows are reported using indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

ii) Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

Financial assets:

i) The Company classifies its financial assets as those to be measured subsequently at fair value (through the standalone Statement of Profit and loss).

ii) Trade receivables represent receivables for goods sold by the Company up to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due with-in 12 months from the reporting date.

iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to the standalone Statement of Profit and Loss.

iv) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

Financial liabilities:

i) Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effective interest method in Capital Work in Progress up to the commencement of related Plant, Property and Equipment and subsequently under finance costs in the standalone Statement of profit and loss .

ii) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

iii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

iv) Trade Payables represent liabilities for goods and services provided to the Company up to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

vi) Derivative financial instruments are in the nature of Forward contracts. Forward contracts are executed to hedge the foreign exchange rate with respect to liabilities for goods and services in foreign currencies.

vii) Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation obtained from Forex Advisors. Gain or loss arising from the changes in fair value of derivatives is debited to the foreign exchange fluctuations in the standalone statement of profit and loss.

Fair value measurement:

i) The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

ii) The Company also measures Land at fair value at each balance sheet date.

iii) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

iv) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

v) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

vi) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

vii) All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized with in the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following three levels:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs are other than quoted prices included with in level 1 that are observable for the assets or liabilities either directly (pear prices) or indirectly (i.e. derived prices).

Level 3 – Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a Valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Foreign Currency Transactions:

i) The Company's financial statements are presented in Indian Rupees ('₹'), which is also the Company's functional currency.

ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

iii) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Lease

Operating Lease - As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Borrowing Costs:

i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.

iii) All other borrowing costs are expensed in the period in which they are incurred.

Accounting for Taxes on Income:

i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.

iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

v) Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

Provisions, Contingent Liabilities and Contingent Assets:

i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.

ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

Current and Non-Current Classification:

i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into “Current” and “Non-Current”.

ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

iv) A liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period;(d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected remaining useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Segment Reporting:

i) Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the company, and makes strategic decisions. The CODM consists of the Chairman, Managing Director, Chief Executive Officer and Chief Financial Officer.

~~ii)~~ The Company’s operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identifiable segments are Manufacturing and Sale of (a) Decorative Laminated Sheets (b) Medium Density Fiber Board and (c) Polyvinyl Chloride Board.

iii) The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are (a) Sales within India include sales to customers located within India; (b) Sales outside India include sales to customers located outside India.

iv) Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

v) The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

Related Party Transactions:

i) A related party is a person or entity that is related to the reporting entity preparing its financial statements

(a) A person or a close member of that person's family is related to reporting entity if that person;

(i) has control or joint control of the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies;
(i) the entity and the reporting entity are members of the same group(which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity(or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a)
   i) Has significant influence over the entity or is a member of the key management personnel of the entity(or of a parent of the entity);
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on the Standalone Financial Statements.

Earnings per Share:

i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Expenses for corporate social responsibility:

i) In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the latter on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss.

ii) In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognized where the Company retains the control of the asset and any future economic benefit accrues to it. A liability incurred by entering in to a contractual obligation is recognized to the extent to which CSR activity is completed during the year.

Critical Accounting Judgments, Assumptions And Key Sources Of Estimation Uncertainty

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements - In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

(i) **Determination of Functional Currency**

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹) i.e. ₹ in Lakhs. .

(ii) **Evaluation of Indicators for Impairment of Property, Plant and Equipment**
The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

b) **Assumptions and Estimation Uncertainties -** Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) **Useful lives of Property, Plant and Equipment/Intangible Assets**
Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(ii) **Contingent Liabilities**
In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iii) **Evaluation of Indicators for Impairment of Property, Plant and Equipment**
The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Company.

(iv) **Provisions**
Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter "*Financial Information*" on page 104, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "*Financial Information*" on page 104.

Principal components of our statement of profit and loss account Revenue

The following descriptions set forth information with respect to the key components of the Audited Financial Statements.

Total income

Our revenue comprises of:

Revenue from operations

Our revenue from operations consists of sale of products (excluding goods and services tax), domestic and exports and other operating revenue. Sale of products primarily consists of sale of Decorative Laminate sheets, Medium Density Fiber Boards (MDF) and Polyvinyl Chloride Boards (PVC) which are either manufactured or traded by us.

Other Income
Other income primarily comprises recurring income which includes interest income on fixed deposits placed with banks and financial institutions, as well as, certain non-recurring income such as profit on sale of fixed assets, gain on foreign currency transactions and miscellaneous income.

Expenses

Our expenses primarily comprise cost of material consumed, purchase of stock in trade, changes in inventories of stock-in-trade, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of materials consumed

Cost of materials consumed comprises of Raw material consumed in manufacturing of finished products.

Purchase of Stock in – Trade

The purchase of stock-in-trade comprises of purchase of Melamine, Methanol, Phenol, Kraft paper, PVC sheet and PVC foil and PVC Film.

Changes in inventories of stock-in-trade

Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress includes increase / decrease in the Finished Goods, Stock-in-Trade and Work-in-Progress during the year.

Employee benefit expenses

Our employee benefit expense mainly consists of salaries, wages, gratuity, bonus, commission, contribution to provident fund & other funds and staff welfare & training expenses.

Finance cost

Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans and unsecured loans, interest on term loan, interest on cash credit and other financial charges. Other Finance costs consists of bank commission, credit rating expense, letter of credit charges, interest on buyer‘s credit, interest on MSME outstanding, interest on deposits from franchisee, interest on vendor bill discounting, interest on receivable financing, loan processing charges, commission on corporate guarantee, loan repayment charges, premium paid on forward cover and term loan renewal charges.

Depreciation and Amortisation Expense

Our depreciation and amortization expenses comprises of depreciation on tangible fixed assets and intangible assets.

Other expenses

Other expense comprises manufacturing expenses, selling and distribution and establishment expenses. Manufacturing expenses comprise Transportation Expenses, Insurance, labour charges, stores and spares, factory expenses. Other manufacturing expenses, power & fuel, repairs to buildings, repairs to machinery. Selling and distribution expenses include advertisement expenses, commission on exports, sales commission, other selling & distribution expenses. Establishment Expenses include Corporate social responsibility contribution, donation, computer maintenance expenses, general or miscellaneous expenses, legal and professional fees, payment to auditors, power & fuel – office, rent, rates and taxes, stationary & postage expenses, telephone expenses, travelling and conveyance expenses, vehicle expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws.

Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth, for the periods indicated, certain items from our audited financial statements, in each case also stated as a percentage of our total income:

(₹ in Lakhs)

Particulars	For the six month ended September 30, 2022		For the six month ended September 30, 2021		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	(%)*	Amount	(%)*	Amount	(%)*	Amount	(%)*
Revenue								
Revenue from Operations	41,417.25	99.85%	26,231.18	99.86%	62,416.90	99.77%	33,544.38	98.73%
Other Incomes	61.92	0.15%	38.06	0.14%	141.24	0.23%	432.27	1.27%
Total Revenue	**41,479.17**	**100.00%**	**26,269.24**	**100.00%**	**62,558.14**	**100.00%**	**33,976.66**	**100.00%**
Expenses:								
Cost of Materials Consumed	20,841.04	50.24%	16,126.11	61.39%	37,010.97	59.16%	17,422.43	51.28%
Purchase of stock in trade	-	0.00%	66.89	0.25%	205.56	0.33%	174.32	0.51%
Changes in Inventory of FG, WIP and Stock in trade	-2,139.77	-5.16%	-2,924.40	-11.13%	-4,532.26	-7.24%	565.94	1.67%
Employee Benefit Expenses	2,270.76	5.47%	1,989.06	7.57%	4,073.95	6.51%	2,682.25	7.89%
Finance Costs	1,051.19	2.53%	1,164.03	4.43%	2,030.84	3.25%	1,241.90	3.66%
Depreciation & Amortization	1,259.87	3.04%	1,192.18	4.54%	2,436.81	3.90%	973.24	2.86%
Other Expenses	10,980.50	26.47%	8,632.65	32.86%	18,264.55	29.20%	9,202.26	27.08%
Total Expenses	**34,263.59**	**82.60%**	**26,246.53**	**99.91%**	**59,490.43**	**95.10%**	**32,262.36**	**94.95%**
Profit/(Loss) before exceptional item and Tax	**7,215.58**	**17.40%**	**22.71**	**0.09%**	**3,067.71**	**4.90%**	**1,714.30**	**5.05%**
Exceptional Items	-	0.00%	-	0.00%	-	0.00%	**152.18**	0.45%
Profit before Tax	**7,215.58**	**17.40%**	**22.71**	**0.09%**	**3,067.71**	**4.90%**	**1,866.48**	**5.49%**
Tax Expenses:								
(i) Current tax	1,001.82	2.42%	-	0.00%	-	0.00%	0.95	0.00%
(ii) Deferred Tax	825.73	1.99%	12.57	0.05%	787.25	1.26%	493.69	1.45%
Total Tax Expenses	**1,827.55**	**4.41%**	**12.57**	**0.05%**	**787.25**	**1.26%**	**494.65**	**1.46%**
Profit/ (Loss) After Tax	**5,388.03**	**12.99%**	**10.14**	**0.04%**	**2,280.47**	**3.65%**	**1,371.83**	**4.04%**
Other Comprehensive Income								
a) Items that will not be reclassified to profit or loss	-4.95	-0.01%	-15.88	-0.06%	-9.90	-0.02%	-31.76	-0.09%
b) Income tax relating to items that will not be reclassified to profit or loss	1.25	0.00%	4.00	0.02%	2.49	0.00%	7.99	0.02%
Total	**-3.70**	**-0.01%**	**-11.88**	**-0.05%**	**-7.41**	**-0.01%**	**-23.76**	**-0.26%**
Total Comprehensive Income for the period	**5,384.33**	**12.98%**	**-1.74**	**-0.01%**	**2,273.06**	**3.63%**	**1,348.07**	**3.97%**

** (%) column represents percentage of total revenue.*

Comparison of Historical Results of Operations

Fiscal 2022 compared to Fiscal 2021

Total Revenue

Our total revenue for the Fiscal 2022 was ₹ 62,558.14 lakhs as compared to ₹ 33,976.66 lakhs for the Fiscal 2021, representing increase of 84.12% which is bifurcated into revenue from operations and other income. This increase is due to general increase in the business operations as well as starting the operations at company's new MDF plant located at Andhra Pradesh.

Revenue from operations

During the Fiscal 2022, the revenue from operations of our company increased to ₹ 62,416.90 lakhs as against ₹ 33,544.38 lakhs for the Fiscal 2021, an increase of 86.07%. This increase is due to general increase in the business operations as well as starting the operations at company's new MDF plant located at Andhra Pradesh.

Other income

Other income for the Fiscal 2022 was ₹ 141.24 lakhs as compared to ₹ 432.27 lakhs for the Fiscal 2021, representing a decrease of 67.33%. The decrease in other income was primarily due to foreign exchange fluctuation.

Expenses

Our total expenditure for the Fiscal 2022 was ₹ 59,490.43 lakhs as compared to ₹ 32,262.36 lakhs for the Fiscal 2021, representing an increase of 84.40%, bifurcated in varied expenses as explained below.

Cost of materials consumed

Cost of materials consumed for the Fiscal 2022 was ₹ 37,010.97 lakhs as compared to ₹ 17,422.43 lakhs for the Fiscal 2021 representing an increase of 112.43%. The change is mainly due to increase of business operations as well as starting the operations at company's new MDF plant located at Andhra Pradesh.

Purchase of Stock-in-trade

The purchase of stock-in-trade for the Fiscal 2022 was ₹ 205.56 lakhs as compared to ₹ 174.32 lakhs for the Fiscal 2021, representing an increase of 17.92%.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress

The changes in inventories of finished goods, stock-in-trade and work in progress for the fiscal 2022 recorded a decrease to negative ₹ 4,532.26 lakhs from positive ₹ 565.94 lakhs for the fiscal 2021 representing an overall decrease of 900.84%, primarily due to market demand supply scenario and increasing demand of finished goods.

Employee benefit expenses

Our Company has incurred ₹ 4,073.95 lakhs employee benefit expense for the Fiscal 2022 as compare to ₹ 2,682.25 lakhs for the Fiscal 2021, representing an increase of 51.89%. This was due to increase in salaries, wages and bonus and contribution to provident fund. Also new employees recruited during the year on starting of the operation at Andhra Pradesh Plant.

Finance cost

Finance cost for the Fiscal 2022 was ₹ 2,030.84 lakhs as compared to ₹ 1,241.90 lakhs for the Fiscal 2021, representing an increase of 63.53%. The increase in finance cost is due to interest on term loan payment and due to increase of business operations.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the Fiscal 2022 was ₹ 2,436.81 lakhs as compared to ₹ 973.24 lakhs for the Fiscal 2021, representing an increase of 150.38%. The increase is due to increase in capital expenditure mainly for company's new MDF plant located at Andhra Pradesh.

Other expenses

Other expenses for the Fiscal 2022 was ₹ 18,264.55 lakhs as compared to ₹ 9,202.26 lakhs for the Fiscal 2021, representing an increase of 98.48%. This increase pertains to increase in selling expenses, Power and fuel expenses, Travelling, Conveyance and Vehicle expenses, Insurance expenses and Advertisement expenses. The increase is mainly due to increase of business operations as well as starting the operations at company's new MDF plant located at Andhra Pradesh.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2022 of ₹ 3,067.71 lakhs as compared to ₹ 1,866.48 lakhs after adjusting the exceptional items of ₹ 152.18 lakhs for the Fiscal 2021. The increase in profit/loss before tax is due to increase in net revenue from sales of MDF Boards during the year.

Taxation

Total tax expense for the Fiscal 2022 ₹ 787.25 lakhs as compared to ₹ 494.65 lakhs for the Fiscal 2021, representing an increase of 59.15%. The increase was due to impact of deferred tax adjustment.

Profit/Loss after Tax

Our Company's profit after tax for the Fiscal 2022 of ₹ 2,280.47 lakhs an increase of 66.24% over the profit after tax for the Fiscal 2021 of ₹ 1,371.83 lakhs. This increase was due to increase in net revenue from sales of MDF Boards during the year.

COMPARISION OF SIX MONTH ENDED SEPTEMBER 30, 2022 WITH SIX MONTH ENDED SEPTEMBER 30, 2021

Total Revenue

Our total revenue for six month ended September 30, 2022 was ₹ 41,479.17 lakhs as compared to ₹ 26,269.24 lakhs for six month ended September 30, 2021, representing increase of 57.90% which is bifurcated into revenue from operations and other income.

Revenue from operations

During the six month ended on September 30, 2022, the revenue from operations of our company increased to ₹ 41,417.25 lakhs as against ₹ 26,231.18 lakhs in the six month ended on September 30, 2021. This increase in revenue is mainly due to increase in sales of MDF segment from new plant at Andhra Pradesh which operated at higher efficiency. Further the company's MDF plant at Chikmagalur-Karnataka also contributed to higher revenue due to increase in sales.

Other income

During the six month ended on September 30, 2022, the revenue from other income of our company increased to ₹ 61.92 lakhs as against ₹ 38.06 lakhs in the six month ended on September 30, 2021. This increase is due to insurance claim received on loss of stock of PVC unit at Chikmagalur due to rains (floods) and increase in other indirect income.

Expenses

The total expenditure for the six month ended on September 30, 2022 was increased to ₹ 34,263.59 lakhs from ₹ 26,246.53 lakhs in the six month ended on September 30, 2021, representing 30.55% increase, owing to increase in cost of materials consumed, employee benefits expenses, depreciation & amortization and other expenses, which was offset decrease in finance cost.

Cost of materials consumed

Cost of materials consumed for six month ended on September 30, 2022 was increased to ₹ 20,841.04 lakhs from ₹ 16,126.11 lakhs in six month ended on September 30, 2021, representing 29.24% increase. This was majorly due to change in product mix in existing products.

Purchase of Stock-in-trade

Purchase of Stock-in-Trade for the six month ended on September 30, 2022 decrease to Nil from ₹ 66.89 lakhs for the six month ended on September 30, 2021. This was primarily attributable decrease due to no purchase of raw material for stock in trade as compared to September 30, 2021.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress.

Changes in inventories of Finished goods, stock-in-trade and Work in progress for the six month ended on September 30, 2022 decrease to negative ₹ 2,139.77 lakhs from negative ₹ 2,924.40 lakhs for the six month ended on September 30, 2021 representing an overall decrease of 26.83%, primarily due to market demand supply scenario.

Employee benefit expenses

Our Company has incurred ₹ 2,270.76 lakhs of employee benefit expenses for six month ended on September 30, 2022, as compared to ₹ 1,989.06 lakhs for six month ended on September 30, 2021, reflecting an increase of 14.16%. This was mainly due to addition of new workforce considering the new plant at Andhra Pradesh.

Finance cost

Finance costs decreased to ₹ 1,051.19 lakhs for six month ended on September 30, 2022 from ₹ 1,164.03 lakhs for the six month ended on September 30, 2021, representing a change of 9.69%, majorly due to decrease in interest on unsecured loans due to repayment of loan to financial institution and decrease in other financial charges.

Depreciation and Amortisation Expense

Depreciation and Amortisation expense for the six month ended on September 30, 2022 stood at ₹ 1,259.87 lakhs as compared to ₹ 1,192.18 lakhs for the six month ended on September 30, 2021, showing an increase of 5.68% in the normal course of business operations of the Company.

Other expenses

Other expenses for six month ended on September 30, 2022 stood at ₹ 10,980.50 lakhs as compared to ₹ 8,632.65 lakhs for six month ended on September 30, 2021, representing an increase of 27.20%. This increase pertains to increase in selling expenses, Power and fuel expenses, Travelling, Conveyance and Vehicle expenses, Insurance expenses and Advertisement expenses.

Profit/Loss before Tax

The profit before tax for the six month ended on September 30, 2022 stood at ₹ 7,215.58 lakhs as compared to ₹ 22.71 lakhs for the six month ended on September 30, 2021.

Taxation

Total tax expense for the six month ended on September 30, 2022 stood at ₹ 1827.55 lakhs as compared to ₹ 12.57 lakhs for the six month ended on September 30, 2021. The increase was due to impact of Current tax and deferred tax.

Profit/Loss after Tax

The profit after tax for the six month ended on September 30, 2022 stood at ₹ 5,388.03 lakhs as compared to ₹ 10.14 lakhs for the six month ended on September 30, 2021, showing an increase of ₹ 5,377.89 lakhs.

CASH FLOWS

The table below summaries our cash flows from our Audited Financial Information for the financial year ended March 31, 2022 and 2021

(₹ in lakhs)

Particulars	For the year ended March 31	
	2021 – 22	2020 – 21
Net cash generated from / (used in) Operating activities	(668.48)	7,708.89
Net cash generated from / (used in) Investing activities	(1,491.44)	(3,858.35)
Net cash generated from / (used in) from Financing activities	2,055.52	(3,760.14)
Net Increase / (decrease) in Cash & Cash Equivalents	(104.40)	90.40
Cash and cash equivalents at the beginning of the year	155.90	65.50
Cash and cash equivalents at the end of the year	51.50	155.90

Operating Activities

Financial year 2021-22
Net cash used in operating activities was ₹ 668.48 lakhs for the financial year 2021-22. Our operating profit before working capital changes was ₹ 7,525.73 lakhs for the financial year 2021-22 which was primarily adjusted for increase in trade receivables by ₹ 2,503.81 lakhs, inventories by ₹ 7,115.12 lakhs, trade payables by ₹769.03 lakhs, financial liabilities by ₹ 37.08 lakhs, and Short term provisions by ₹ 1,265.59 lakhs and decrease in financial Assets by ₹ 86.34 lakhs, other assets by ₹ 672.60 lakhs and decrease in other liabilities by ₹ 1,382.68 lakhs along with income tax paid of ₹ 23.25 lakhs.

Financial year 2020-21
Net cash generated from operating activities was ₹ 7,708.89 lakhs for the financial year 2020-21. Our operating profit before working capital changes was ₹ 3,899.11 lakhs for the financial year 2020-21 which was primarily adjusted for increase in trade payables by ₹ 716.91 lakhs, financial assets by ₹ 488.76 lakhs, financial liabilities by ₹ 2,139.12 lakhs and Short term provisions by ₹ 563.17 lakhs and decrease in inventories by ₹ 131.22 lakhs, trade receivables by ₹ 355.87 lakhs, other assets by ₹ 704.67 lakhs and decrease in other liabilities by ₹ 5.11 lakhs along with income tax paid of ₹ 307.30 lakhs.

Investing Activities

Financial year 2021-22
Net cash used in investing activities was ₹ 1,491.44 lakhs for the financial year 2021-22. This was primarily on account of purchase of property, plant and equipment including capital work in progress and pre-operative expenses of ₹ 3,041.61 lakhs which was offset by proceeds received from sales of Property, Plant and equipment of ₹ 1.88 lakhs and further offset by changes in non- current assets of ₹ 1,548.30 lakhs.

Financial year 2020-21
Net cash used in investing activities was ₹ 3,858.36 lakhs for the financial year 2020-21. This was primarily on account of purchase of property, plant and equipment including capital work in progress and pre-operative expenses of ₹ 6,273.93 lakhs and Adjustment of revaluation reserves of ₹ 89.75 lakhs which was offset by proceeds received from sales of Property, Plant and equipment of ₹ 200.08 lakhs and further offset by changes in non- current assets of ₹ 2305.25 lakhs.

Financing Activities

Financial year 2021-22
Net cash generated from financing activities for the financial year 2021-22 was ₹ 2,055.52 lakhs. This was on account of issue of share of ₹ 17.56 lakhs along with Securities Premium of ₹ 72.87 lakhs and increase in short term borrowings of ₹ 4,998.84 lakhs. This was partially offset by repayment of long term borrowing of ₹ 903.39 lakhs along with repayment of interest and finance cost of ₹ 2,030.84 lakhs and dividend paid to shareholders including dividend tax paid of ₹ 99.51 lakhs.

Financial year 2020-21
Net cash used in financing activities for the financial year 2020-21 was ₹ 3,760.14 lakhs. This was on account of repayment of long term borrowing of ₹ 4,363.56 lakhs, Short term borrowings of ₹ 466.15 lakhs along with repayment of interest and finance cost of ₹ 1,241.90 lakhs and dividend paid to shareholders including dividend tax paid of ₹ 86.53 lakhs. This was partially offset by proceeds from issue of share and securities premium received

of ₹ 480.31 lakhs and ₹ 1,917.68 lakhs respectively.

CASHFLOW FOR PERIOD ENDED SEPTEMBER 30, 2022 COMPARED WITH PERIOD ENDED SEPTEMBER 30, 2021.

(₹ in lakhs)

Particulars	**Period ended September 30, 2022**	**Period ended September 30, 2021**
Net cash generated from / (used in) Operating activities	6,984.27	(1,469.74)
Net cash generated from / (used in) Investing activities	(5,582.20)	376.38
Net cash generated from / (used in) from Financing activities	(1,399.81)	1,077.69
Net Increase / (decrease) in Cash & Cash Equivalents	2.26	(15.67)
Cash and cash equivalents at the beginning of the period	51.50	155.90
Cash and cash equivalents at the end of the period	53.76	140.23

There was a increase in net cash generated from operating activities to ₹ 6,984.27 lakhs for the period ended September 30, 2022 from negative ₹ 1,469.74 lakhs for the period ended September 30, 2021. This increase was primarily on account of increase in other liabilities for an amount of ₹ 1,443.40 lakhs, trade payables of ₹ 675.66 lakhs, increase in inventories for ₹ 2,760.29 lakhs, trade receivables of ₹ 1,759.66 lakhs. This increase was offset by decrease in other assets of ₹ 606.31 lakhs and short term provisions of ₹ 440.61 lakhs.

There was a decrease in net cashflow from investing activities to negative ₹ 5,582.20 lakhs for the period ended September 30, 2022 from ₹ 376.38 lakhs for the period ended September 30, 2021. This decrease was due to investment in property, plant & equipments of ₹ 5,419.08 lakhs and non-current assets of ₹ 163.62 lakhs.

There was a decrease in net cashflow from financing activities to negative ₹ 1,399.81 lakhs for the period ended September 30, 2022 from ₹ 1,077.69 lakhs for the period ended September 30, 2021. This decrease was due to repayment of long-term borrowing of ₹ 200.14 lakhs, short-term borrowings of ₹ 48.40 lakhs, interest and finance cost paid to ₹ 1,051.19 lakhs and dividend paid to shareholders (including tax on dividend) of ₹ 99.53 lakhs.

Financial Indebtedness

Our total outstanding secured and unsecured borrowing from banks & financial institutions is bifurcated into following manner for the period mentioned below:

(₹ in Lakhs)

Category of Borrowings (Secured)	**O/s as on September 30, 2022**	**O/s as on March 31, 2022**	**O/s as on March 31, 2021**
Long Term Borrowings			
- Non – Current Liability	22,707.53	24,792.62	26,429.69
- Current Maturities of long term debt	4,801.16	4,795.16	2,901.69
Short Term Borrowings	8,494.88	8,478.96	5,365.45
Grand Total	**36,003.57**	**38,066.74**	**34,696.83**

(₹ in Lakhs)

Category of Borrowings (Unsecured)	**O/s as on September 30, 2022**	**O/s as on March 31, 2022**	**O/s as on March 31, 2021**
Long Term Borrowings (Promoters)			
- Non – Current Liability	5,710.05	3,825.10	3,091.42
- Current Maturities of long term debt	-	18.91	17.47
Grand Total	**5,710.05**	**3,844.01**	**3,108.89**

Related Party Transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to purchase and sale of products, remuneration, sitting fees, borrowings, deposits, rent, interest, reimbursements, disinvestments, employee benefit expenses, corporate social responsibility, contribution to gratuity fund, etc. For further details of such related parties under AS-18, refer chapter titled *"Financial Information"* beginning on page 104 of this Draft Letter of Offer.

Capital Expenditure

Our capital expenditures are mainly related to the purchase of property plant and equipment located in India. The primary source of financing for our capital expenditures has been cash generated from our operations and borrowings. For the Financial Year 2022 and the Financial Year 2021, we incurred capital expenditure of ₹ 3,041.61 lakhs and ₹ 6,273.93 lakhs respectively.

Contingent Liabilities

The following table sets forth our contingent liabilities and commitments as on September 30, 2022, March 31, 2022 and March 30, 2021 as per audited financial statements:

(₹ in Lakhs)

Particulars	As on September 30, 2022	As on March 31, 2022	As on March 31, 2021
Contingent Liabilities:			
Claims against the company not acknowledged as debts comprise of			
i) In respect of disputed Excise Demand matter under appeal	72.12	72.12	72.12
ii) In respect of disputed Custom Duty matter under appeal	27.56	27.56	27.56
iii) In respect of disputed Sales Tax/VAT matter under appeal	0.00	0.00	15.81
Letters of Credit opened with Banks	233.01	157.93	88.70
Bank Gurantees for performance	685.98	685.98	953.13
Total Contingent Liabilities	**1,018.67**	**943.59**	**1,157.31**
Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	0.00	874.76	724.85
Future export obligations/commitments under import of Capital Goods at Concessional rate of customs duty	12,471.42	18,627.67	20,336.63
Total Commitments	**12,471.42**	**19,502.43**	**21,061.48**

The above matters are currently being considered by the tax authorities with various forums and the company expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement & decision pending with tax authorities at various forums. The potential undiscounted amount of total payments for taxes that the company may be required to make if there was an adverse decision related to these disputed demands on regulators as of the date reporting period ends are as stated above.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

The Company's financial liabilities comprise mainly of borrowings, trade, other payables and financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of the Company monitors the risk as per risk management policy. Further, the Audit Committee has additional oversight in the area of financial risks and controls. For further details of such risk, refer chapter titled *"Financial Information"* beginning on page 104 of this Draft Letter of Offer.

Reservations, qualifications and adverse remarks

There have been no reservations, qualifications and adverse remarks however there are some key audit matters.

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. The same has been addressed in chapter titled *"Financial Information"* beginning on page 104 of this Draft Letter of Offer.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 21 and 199, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled *"Risk Factors"* on page 21.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 21 and 199, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Increase in revenues is due to increase in sales of MDF segments from new plant at Andhra Pradesh . Further, the company's MDF plant at chikmagalur also contributed to higher revenue due to increase in sales and other existing portfolio of products under existing brands.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to intensify. However, on account of portfolio of international brands, quality products, brand loyalty, launching products of latest trend & fashion, and centralized sourcing model, we are able to stay competitive. For further details, kindly refer the chapter titled *"Our Business"* beginning on page 87.

Total Turnover of Each Major Business Segment

We currently operate in three business segment i.e.,

Details	As on September 30, 2022	As on March 31, 2022	As on March 31, 2021
Decorative Laminated Sheets	9,629.55	17,963.89	16,410.54
Add: License due Income	325.65	582.01	833.19

Decorative Laminated Sheets (Sub Total - A)	**9,955.20**	**18,545.89**	**17,243.73**
Medium Density Fibre Board	30,761.27	42,963.78	15,533.60
Add: License due Income	204.11	141.5	0.61
Medium Density Fibre Board (Sub Total - B)	**30,965.38**	**43,105.29**	**15,534.21**
Polyvinyl Cholride Boards (C)	496.67	765.72	766.45
Total (A+B+C)	**41,417.25**	**62,416.90**	**33,544.38**

New* Product *or Business Segment

Except as disclosed in "*Our Business*" on page 87, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

The business of our Company is not impacted by seasonal variations in sales volumes. However, we see an increase in our business during the festive periods in India, i.e., prior to Dussehra and Diwali, and end of season sales.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections "*Risk Factors*" on page 21*,* to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Significant Developments since last balance sheet date

Except as disclosed above and in this Draft Letter of Offer, including under "*Our Business*", "*Risk Factors*" and *"Material Developments"* on pages 87, 21 and 197 respectively, to our knowledge no circumstances have arisen since September 30, 2022, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions pending before various authorities. Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation involving our Company, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) or is otherwise material in terms of the Materiality Policy.

*For the purpose of (v) above, as per the materiality policy in accordance with our Company's 'Policy on determination of materiality of events' framed in accordance with Regulation 30 of the SEBI Listing Regulations, the materiality threshold considered for disclosure of pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position shall be (i) 5% of the gross turnover or total revenue or total income; or 20% of the net worth, whichever is lower, determined on the basis of audited financial statements of last audited financial year, which amounts to ₹ 3,127.91 lakhs (being 5% of total revenue of our Company for Fiscal 2022); and (ii) any other litigation involving our Company which may be considered material by our Company for the purposes of disclosure in this section of this Draft Letter of Offer ("**Materiality Threshold**").*

Litigations involving our Company

Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

Nil

Proceedings involving material violations of statutory regulations by our Company

BSE Limited *vide* an email dated May 24, 2021, had imposed a fine of ₹ 4.20 lakhs plus applicable taxes on our Company for causing a delay of twenty-one days from the date of allotment, in approaching BSE for seeking listing approval for 2,53,760 partly-paid up rights equity shares issued pursuant to the 2020 Rights Issue. Our Company made payment of ₹ 4.20 lakhs, plus applicable taxes on May 29, 2021.

Economic offences where proceedings have been initiated against our Company

Nil

Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

Office of the Deputy Commissioner of Commercial Taxes (Audit), Government of Karnataka (the "**Department**") issued an intimation dated December 9, 2022 (the "**Intimation**") stating that our Company was liable to pay a tax of ₹ 19,016.36 lakhs under Section 73(5) of the of the Karnataka Goods and Services Act, 2017 (the "**Act**") for the business undertaken through our manufacturing unit situated at Chikkamagaluru. The Intimation was issued on the grounds that (i) our Company had purchased certain goods/service which were utilised in the construction or repair or modification of the immovable property and has claimed input tax credit ("**ITC**") on these purchases, which are not allowable as per section 17(5) of the Act; (ii) our Company has claimed transitional credit, however, in the original VAT-100 returns filed for the month of June 2017, we have declared ITC turnover as 'Nil'; (iii) our Company had claimed that a total of 3,443 goods were sent for job work, however we failed to furnish details with respect to such goods; and (iv) our Company has claimed an excess ITC of ₹ 231.89 lakhs in GSTR-3B returns which is in violation of Section 16 of the Act. Our Company has *vide* its letter dated December 27, 2022 replied to the Intimation clarifying that (i) the Department has incorrectly compared the amount of ITC appearing in GSTR-2A *vis-a-vis* the ITC reversal / ineligible ITC disclosed by our Company in GST return and therefore the value of ITC appearing in GSTR-2A is not the actual value of ITC availed by our Company; (ii) our Company has correctly availed un-availed credit in respect of capital goods in Form ER-1, which is admissible under Chapter XX Transitional Provisions of the CGST Act, 2017; (iii) the subject matter of job work does not pertain to our Company and incorrect details have been included by the Department in the Intimation; and (iv) the details and amount of ITC claimed by our Company as appearing in the Intimation are incorrect and it appears that details of other tax payer have been mentioned in the Intimation. Our Company has not received any further communication from the Department in this matter.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for the renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" at page 67 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in its meeting dated August 6, 2022 have authorised this Issue under Section 62(1) (a) and other applicable provisions of the Companies Act, 2013.

Our Board, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share and the Rights Entitlement as [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date, i.e., [●]. The Issue Price of ₹ [●]/-per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to the determination of the Record Date.

Our Company has received in-principle approvals from NSE and BSE for listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters each dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circular.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see *"Terms of the Issue"* beginning on page 229.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fradulent borrower issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on the Stock Exchanges i.e. BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Our Company is eligible to undertake and offer the Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. [•] is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI;
2. The reports, statements and information referred to above are available on the website of BSE and NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI ICDR REGULATIONS"). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 29, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIAL IN CONNECTION WHILE FINALISING THE DRAFT LETTER OF OFFER PERTAINING TO THE RIGHT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

a) **THIS DRAFT LETTER OF OFFER FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**

b) **ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

c) **THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THESE REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID – COMPLIED WITH.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.**

5. **WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**

6. **ALL APPLICABLE PROVISIONS OF THESE REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**

7. **ALL APPLICABLE PROVISIONS OF THESE REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE.**

8. **NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE FOR THE EXTENT APPLICABLE.**

9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE "MAIN OBJECTS" IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE**

VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE.

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    a) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING SR EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SR EQUITY SHARES COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS ON EQUITY SHARES); AND**

    b) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD – COMPLIED WITH.**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOTED FOR COMPLIANCE.**

12. **IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THESE REGULATIONS - NOT APPLICABLE.**

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.rushil.com or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors who invest in this Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares of our Company, and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue. Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Cautions

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Gujarat, India only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with SEBI and the Stock Exchanges.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with SEBI and the Stock Exchanges.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is [•].

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter (**"Issue Materials"**) and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our

Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights

Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHERJURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, Statutory Auditor, legal advisor, the Registrar to the Issue, the Monitoring Agency* and the Bankers to the Issue* to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

**Will be obtained prior to filing of the Letter of Offer.*

Expert Opinion

Our Company has received written consent dated December 26, 2022 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) report dated May 24, 2022 on our Audited Financial Statements for the financial year ended March 31, 2022; (ii) limited review report dated November 8, 2022 on our Limited Review Financial Results for the six month period ended September 30, 2022; and (iii) statement of tax benefits dated December 26, 2022 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, our Company has not obtained any expert opinions.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTSENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS

Filing

A copy of this DLOF has been filed with the Securities Exchange Board of India through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular dated January 19, 2018 bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD". This DLOF will also be filed with BSE and NSE, where the Rights Equity Shares are proposed to be listed.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "*Terms of the Issue*" beginning at page 229 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue
Bigshare Services Private Limited
Office No S6-2, 6th floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai-400 093,

Maharashtra, India.
Telephone: +91 22 6263 8200/ 22
E-mail: rightsissue@bigshareonline.com
Website: www.bigshareonline.com
Contact person: Vijay Surana
Investor grievance: investor@bigshareonline.com
SEBI Registration No: INR000001385
Validity of Registration: Permanent

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

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

Rushil House, Near Neelkanth Green Bungalow,
Off. Sindhu Bhavan Road, Shilaj,
Ahmedabad-380 058, Gujarat, India
Telephone: +9179 6140 0400
E-mail: ipo@rushil.com

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Draft Letter of Offer. Investors who are eligible to apply under the ASBA process, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("**SEBI – Rights Issue Circular**"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.*

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) *Dispatch and availability of Issue Materials:*

In accordance with the SEBI ICDR Regulations, our Company will at least three days before the Issue Opening Date, dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can also access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity

Shares under applicable securities laws) on the websites of:

a) Our Company at www.rushil.com;
b) the Registrar to the Issue at www.bigshareonline.com;
c) the Lead Manager at www.saffronadvisor.com; and
d) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.rushil.com).

Our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

2) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●], [●] are requested to provide relevant details (such as copies of self-attested PAN, client master list and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e. [●], [●] in order to be eligible to apply for this Issue. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

3) Application by Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 243.

4) Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" beginning on page 251.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

5) Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "*Procedure for Application through the ASBA process*" on page 238 of this Draft Letter of Offer.

6) Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com
b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.bigshareonline.com
c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.bigshareonline.com

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated August 6, 2022 has authorised this Issue under Section 62(1) (c) of the Companies Act, 2013.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approval from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated [•] and [•], respectively.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.rushil.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the Applicants who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Stock Exchanges, the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites. The distribution of the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer and the Letter of Offer will be filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in the Issue for an amount aggregating upto ₹ 12,420 lakhs. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price, in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ [●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero entitlement will be non-negotiable/non-renounceable**.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded under the ISIN: INE573K01017 on BSE (Scrip Code: 533470) and on NSE (Symbol: RUSHIL). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [•] for REs so obtained will be permanently deactivated from the depository system. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE and NSE through letters no. [•] and [•] dated [•] and [•], respectively. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchanges.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE and NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Draft Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading "*Terms of Payment*" at page 233 of this Draft Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue* " on page 64.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

Notices

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circular, our Company and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the Applicants who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Gujarati language daily newspaper with wide circulation at the place where our Registered Office and Corporate Office are situated.

The Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 243.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent only to the email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be only sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.rushil.com;
b) the Registrar to the Issue at www.bigshareonline.com;
c) the Lead Manager at www.saffronadvisor.com; and
d) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.rushil.com). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN, client master list and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e. [●], [●], after which they can apply through ASBA facility.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB;.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "*Grounds for Technical Rejection*" on page 248. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "*Application on Plain Paper under ASBA process*" on page 240.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.bigshareonline.com and link of the same would also be available on the website of our Company at (www.rushil.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode.Such resident Eligible Equity Shareholders must check the procedure for Application in "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 243.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 240.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 229. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 251.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [•] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [•] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) ***Off Market Renunciation***

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [•], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue, Manager to the Issuer or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently, may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Bengaluru and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "*Modes of Payment*" on page 242.

The envelope should be super scribed "***Rushil Decor Limited – Rights Issue***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Rushil Decor Limited Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("**United States**") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("**Regulation S**"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at . Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" on page 251.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at rightsissue@bigshareonline.com.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

  Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“**NRE**”) accounts, or Foreign Currency Non-Resident (“**FCNR**”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“**NRO**”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN, client master list and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

3. The remaining procedure for Application shall be same as set out in "*Application on Plain Paper under ASBA process*" beginning on page 240.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE "ALLOTMENT ADVICES/ REFUND ORDERS" ON PAGE 252.

General instructions for Investors

(a) Please read this Draft Letter of Offer, Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(e) Application should be made only through the ASBA facility.

(f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.

(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 240.

(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar and the Lead Manager.

(l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Physical folio number and Application

Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should send the intimation for such change to the respective depository participant for shares held in electronic corm, and to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

(s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(u) In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Additional general instructions for Investors in relation to making of an Application

(a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(c) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(h) Do not pay the Application Money in cash, by money order, pay order or postal order.

(i) Do not submit multiple Applications.

(j) No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

(k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER

APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "*Investment by Mutual Funds*" below on page 256.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in *Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue* " on page 64).

Underwriting

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

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue schedule

Issue Opening Date	[●]
Last date for receiving requests for Application Form and Rights Entitlement Letter[#]	[●]
Issue Closing Date	[●]
Finalising the basis of allotment with the Designated Stock Exchange	[●]
Date of Allotment (on or about)	[●]
Initiation of refunds	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days* *from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s)on or prior to the Issue Closing Date.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored, therefore those Equity Shareholders holding less than [●] ([●]) Equity Shares would be entitled to 'Zero' Rights Equity Shares under this Issue, Application Form with 'Zero' entitlement will be send to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

(c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

(f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("**RTGS**").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post or email intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

The letter of allotment or refund order would be sent by registered post, email or speed post to the sole/ first Investor's address or the email address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the event, our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund the entire proceeds of the Issue within four days of receipt of intimation from the Stock Exchanges rejecting the application for listing of Equity Shares, and if any such money is not repaid within four days after our Company becomes liable to repay we shall, on and from the expiry of the fourth day, be liable to repay that money with interest at the rate of fifteen per cent. per annum.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility;

2. **National Automated Clearing House ("NACH")** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

3. **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT

wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

5. RTGS – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 243.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lacs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lacs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to

₹ 50 lacs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated June 02, 2010 and April 30, 2010 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE573K01017.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.

(vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

(x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Further, solely in the event of an under-subscription of this Issue, our Promoters and members of our Promoter Group may subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws. The additional subscription, if any, by our Promoters and members of our Promoter Group shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Any participation by our Promoters and members of our Promoter Group, over and above its Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Filing

A copy of this DLOF has been filed with the Securities Exchange Board of India through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular dated January 19, 2018 bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD". This DLOF will also be filed with BSE and NSE, where the Rights Equity Shares are proposed to be listed.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 21.

All enquiries in connection with this Draft Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "***Rushil Decor Limited – Rights Issue***" on the envelope to the Registrar at the following address:

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai-400 093,
Maharashtra, India.
Telephone: +91 22 6263 8200/ 22
E-mail: rightsissue@bigshareonline.com
Website: www.bigshareonline.com
Contact person: Vijay Surana
Investor grievance: investor@bigshareonline.com
SEBI Registration No: INR000001385
Validity of Registration: Permanent

The Issue will remain open for a minimum period of 7 (seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly knows as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.rushil.com from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

(i) Issue Agreement dated December 20, 2022 entered into between our Company and the Lead Manager.

(ii) Registrar Agreement dated December 20, 2022 entered into amongst our Company and the Registrar to the Issue.

(iii) Monitoring Agency Agreement dated [●] amongst our Company and the Monitoring Agency.

(iv) Escrow Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

2. Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

(ii) Certificate of incorporation dated May 24, 1993.

(iii) Fresh certificate of incorporation dated December 04, 2007 consequent upon conversion from private company to public company.

(iv) Resolution of the Board of Directors dated August 6, 2022 in relation to the Issue.

(v) Resolution of the Fund Raising Committee dated December 29, 2022 approving and adopting this Draft Letter of Offer.

(vi) Resolution of the Fund Raising Committee dated [●] approving and adopting the Letter of Offer.

(vii) Resolution of the Fund Raising Committee dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

(viii) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead manager, Bankers to the Issue*, Monitoring Agency*, Legal Advisor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.

**Will be obtained prior to filing of the Letter of Offer.*

(ix) The report dated May 24, 2022 of the Statutory Auditor, on our on our Audited Financial Statements for the financial year ended March 31, 2022, included in this Draft Letter of Offer.

(x) The Limited Reviewed Financial Results dated November 8, 2022 for the six month period ended September 30, 2022, included in this Draft Letter of Offer.

(xi) Statement of Tax Benefits dated December 26, 2022 from the Statutory Auditor included in this Draft Letter of Offer.

(xii) Tripartite Agreement dated June 02, 2010 between our Company, NSDL and the Registrar to the Issue.

(xiii) Tripartite Agreement dated April 30, 2010 between our Company, CSDL and the Registrar to the Issue.

(xiv) Due Diligence Certificate dated December 29, 2022 addressed to SEBI from the Lead Manager.

(xv) In principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

(xvi) SEBI observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Krupesh Ghanshyambhai Thakkar
(Chairman and Managing Director)

Sd/-

Rushil Krupesh Thakkar
(Whole-time Director)

Sd/-

Ramanik Tejabhai Kansagara
(Whole-time Director)

Sd/-

Shankar Prasad Bhagat
(Independent Director)

Sd/-

Kantilal Ambalal Puj
(Independent Director)

Sd/-

Shreyaben Milankumar Shah
(Independent (Additional) Director)

SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sd/-

Hiren Bachubhai Padhya

Place: Ahmedabad

Date: December 29, 2022