

2022-12-20 10:00 AM

DATED 20<sup>th</sup> December, 2022

ISSUE AGREEMENT

AMONGST

RUSHIL DECOR LIMITED

AND

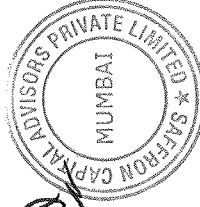
SAFFRON CAPITAL ADVISORS PRIVATE LIMITED



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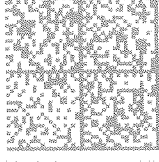
*For Saffron Capital Advisors Private Limited*



*Chandrasekhar*

*For Rushil Decor Limited*





₹ 0000600/-

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ISSUE AGREEMENT  
GUJARAT  
સાચી અને સ્વચ્છ

Special Adhesive  
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3816023 GUJ/SOS/AV/533/2022

This Issue Agreement ("Agreement") made on this 20<sup>th</sup> day of December 2022, at Ahmedabad, amongst:

**Rushil Decor Limited**, a Company incorporated under the provisions of the Companies Act, 1956, and having its Registered Office at S. No. 125, Near Kalyanpura Patia, Gandhinagar Mansa Road, Kalol, Village Itla, Gandhinagar – 382 845, Gujarat, India and Corporate Office at Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad-380 058, Gujarat, India (hereinafter referred to as the "Issuer" or the "Company", which expression shall unless repugnant to the context or meaning thereof mean and include its successors and permitted assigns) of the **FIRST PART**;

AND

**Saffron Capital Advisors Private Limited**, a company incorporated under the Companies Act, 1956 and having its registered office at H-130, Bhoomi Green, Raheja Estate Kulupwadi, Borivali (East) Mumbai – 400 066, Maharashtra, India and corporate office at 605, 6th floor, Center Point, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India (hereinafter referred to as "**Lead Manager**", which expression shall unless repugnant to the context or meaning thereof mean and include its successors and permitted assigns) of the **SECOND PART**.

The Company and the Lead Manager are hereinafter collectively referred to as the "**Parties**" and individually as "**Party**".

- A. The Company is proposing to issue equity shares of face value of ₹10/- each ("**Equity Shares**") to its existing shareholders on a rights basis for an aggregate amount not exceeding ₹2000 lakhs, in accordance with the Companies Act, 2013 (as defined hereinafter), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018, as amended (the "**ICDR Regulations**"), and other applicable statutory and/or regulatory requirements (hereinafter referred to as the "**Issue**").
- B. The Board of Directors of the Company authorised the Issue pursuant to the resolution dated **August 06, 2022**.
- C. The Company has approached the Lead Manager to manage the Issue and the Lead Manager has accepted the engagement, in terms of the engagement letter (the "**Engagement Letter**"), subject to and in accordance with the terms and conditions of this Agreement.
- D. The fees and expenses payable to the Lead Manager for managing the Issue have been mutually agreed upon and documented under the Engagement Letter.
- E. Further, as prescribed under Regulation 69(5) of the ICDR Regulations, the Parties are entering into this Agreement for the purposes stated herein.

**NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:**

**1. DEFINITIONS**

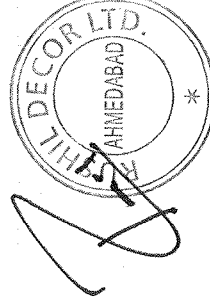
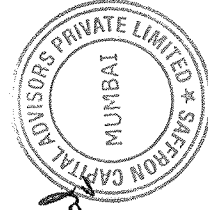
1.1. All capitalized terms not specifically defined herein shall have the same meanings assigned to such terms in the ICDR Regulations or the Draft Letter of Offer or the Letter of Offer to be filed by the Company with the Stock Exchanges and submitted with SEBI, in relation to the Issue. In case of any inconsistency between the definition of any term as set out in this Agreement and the ICDR Regulations or the Draft Letter of Offer or the Letter of Offer, the definition provided under the ICDR Regulations or the Draft Letter of Offer or the Letter of Offer shall prevail.

"**Abridged Letter of Offer**" shall mean the abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the ICDR Regulations and the Companies Act;

"**Affiliate**" with respect to any Party shall mean: (a) any other person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such first person; (b) any other person in which such first person has a significant influence or which has significant influence over such person provided that significant influence over a person is the power to participate in the financial and operating policy decisions of the person but is less than control over those policies and that shareholders beneficially holding a 20% interest in the

For Saffron Capital Advisors Private Limited

For Rushil Decor Limited



voting power of the person are presumed to have a significant influence on the person; and (c) any joint venture, counter party of any person in (a) or (b) and/or (d) any holding company or subsidiary of such specified person; provided, however, for the purposes of this Agreement, the terms "holding company" and "subsidiary" shall have the meanings set forth in Sections 2(46) and 2(87) of the Companies Act, 2013. As used in this definition of Affiliate, the term "control" (including the terms "controlling", "controlled by" or "under common control with") or "influence" means the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. For the purpose of this agreement, the term Affiliate so far as it relates to Saffron shall mean to exclude the Company and vice versa.

**"Agreement"** shall mean this issue agreement dated December 20, 2022 entered into between the Company and the Lead Manager including any addendum thereto;

**"ASBA"** or **"Application Supported by Blocked Amount"** shall mean an application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the application amount in a specified bank account maintained with the SCSB;

**"Applicable Law"** shall mean any applicable law, by-law, rule, regulation, guideline, circular, order, notification, regulatory policy (including any requirement under, or notice of any regulatory body), compulsory guidance, rule, order or decree of any court or any arbitral authority, or directive, delegated or subordinate legislation in any applicable jurisdiction, within or outside India, including any applicable securities law in any relevant jurisdiction, including the SEBI Act, the SCRA, the SCRR, the Companies Act, the ICDR Regulations, the SEBI Listing Regulations, the Foreign Exchange Management Act, 1999 and rules and regulations thereunder, and the guidelines, instructions, rules, communications, circulars and regulations issued by any Government of India, the RoC (as hereinafter defined), SEBI, the Stock Exchanges (as hereafter defined) or by any other governmental or statutory authority or any court or tribunal (and similar agreements, rules, regulations, orders and directions in force in other jurisdictions where there is any invitation, offer or sale of the Equity Shares in the Issue);

**"Board"** shall mean the Board of Directors or any duly constituted committees thereof;

**"BSE"** shall mean the BSE Limited;

**"Closing Date"** shall mean the date of issue and allotment of the Rights Equity Shares pursuant to the Issue;

**"Companies Act"** shall mean the Companies Act, 1956 and/or the Companies Act, 2013, as applicable;

**"Companies Act, 1956"** shall mean the Companies Act, 1956 and the rules framed thereunder, each as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the notified sections of the Companies Act, 2013);

**"Companies Act, 2013"** shall mean the Companies Act, 2013 and the rules framed thereunder, each as amended, to the extent in force;


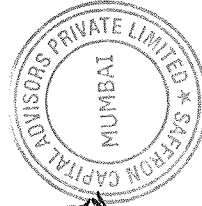
**"Control"** has the meaning as set out under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the terms "Controlling" and "Controlled" shall be construed accordingly;

**"Draft letter of Offer"** shall mean the Draft Letter of Offer to be filed with SEBI and the Stock Exchanges in relation to the Issue.

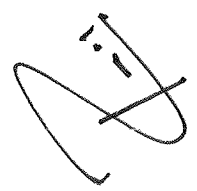
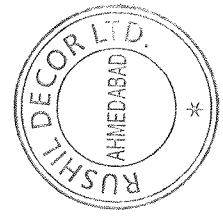
**"Eligible Equity Shareholders"** shall mean Equity Shareholders of our Company on the Record Date;

**"Encumbrance"** means any mortgage, charge (whether fixed or floating), pledge, lien (statutory or other), trust, hypothecation, assignment, security interest, non-disposal undertaking or other encumbrances of any kind securing or conferring or agreeing to secure or confer any priority of payment in respect of any obligation of any person and includes, without limitation, any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any applicable law or regulation;

*For Saffron Capital Advisors Private Limited*

*For Rushil Decor Limited*

"**Engagement Letter**" has the meaning attributed to such term in Recital C of this Agreement

"**Group Companies**" shall mean such companies (other than the corporate promoters and subsidiaries of the Company) with which there were related party transactions entered into by the Company, during the period for which financial information is disclosed in the Draft Letter of Offer or Letter of Offer, as covered under the applicable accounting standards, and also other companies as considered material by the Board.

"**ICDR Regulations**" shall have the meaning as given to such term in the Recital A to this Agreement;

"**Indemnified Party**" shall have the meaning given to such term in Clause 17.1;

"**Indemnifying Party**" shall have the meaning given to such term in Clause 17.3;

"**Ind AS**" shall mean the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015;

"**Intellectual Property**" shall mean all of the following which are owned by, issued to, licensed or assigned to the Company, and as described in, or used in connection with the business of the Company; rights in any designs, patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice) and any re-issue, continuation, continuation-in-part, revision, extension or re-examination thereof; trademarks, trade-names, service marks, logos, internet domain names; rights protecting goodwill and reputation and corporate names together with all the goodwill associated therewith, including, without limitation, the use of the current corporate name; copyrights and copyrightable works (including, without limitation, web sites); and all registrations and renewals for any of the foregoing; trade secrets, know-how (including unpatented or unpatentable proprietary information), proprietary knowledge and other confidential information; information technologies; whether registrable or unregistrable; and all copies and tangible embodiments of the foregoing;

"**Issue Documents**" shall mean the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter together with all corrigendum, addendum, amendments, corrections, supplements or notices to investors, for use in connection with the Issue;

"**Issue Period**" shall mean the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which the existing shareholders as well as prospective investors can submit their applications.

"**Joint Venture(s)**" shall mean the joint venture(s) of the Company, if any.


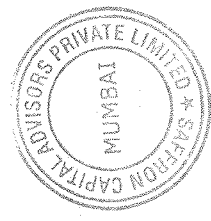

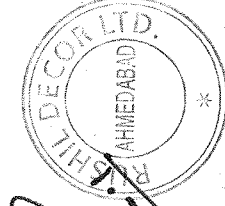
"**Lead Manager**" shall have the meaning ascribed to it in the Preamble to this Agreement;

"**Lender Consents**" shall mean the consents required to be obtained from the lenders of the Company for the issuance and allotment of Rights Equity Shares.

"**Letter of Offer**" shall mean the final letter of offer to be filed with the Stock Exchanges and submitted with SEBI in relation to the Issue;

"**Licenses**" shall have the meaning given to such term in Clause 7.12;

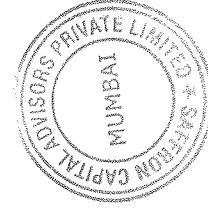
"**Material Adverse Change**" shall mean, individually or in the aggregate, a material adverse change, probable or otherwise, or any development likely to involve a material adverse change in sole opinion of the Lead Manager, (a) in the condition, financial, legal or otherwise, or in the assets, liabilities, earnings, business, management, operations or prospects of the Company (including, without limitation, any material loss or interference with its business from strikes, employee action, fire, explosions, flood or other calamity, whether or not covered by insurance, or from court or governmental action, order or decree), (b) in the ability of the Company to execute or deliver this Agreement and the Engagement Letter, or perform its obligations under, or to consummate the transactions contemplated by this Agreement, including the allotment of the Rights Equity Shares contemplated herein, or (c) in the ability of the Company to conduct its businesses and to own or lease its assets or properties in substantially the same manner in which such businesses were previously conducted or such assets or properties were previously owned or leased as described in the Issue Documents;

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- "**Material Contracts**" shall have the meaning given to such term in Clause 7.32;
- "**NSE**" shall mean National Stock Exchange of India Limited;
- "**Promoters**" mean and refer to Krupesh Ghanshyambhai Thakkar-HUF, Krupesh Ghanshyambhai Thakkar, Krupa Krupesh Thakkar and Rushil International – Partnership Firm;
- "**Promoter Group**" means companies, individuals and entities as defined under Regulation 2(1)(pp) of the ICDR Regulations;
- "**Record Date**" shall mean the designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares.
- "**Regulation S**" shall mean Regulation S of the Securities Act;
- "**Registrar**" means Bigshare Services Private Limited;
- "**Rights Entitlement**" shall mean the right to acquire the Rights Equity Shares, being offered vide the Issue, by an Applicant, in accordance with the ICDR Regulations read with the SEBI Issue Circulars, on the Record Date.
- "**Rights Entitlement Letter**" shall mean an intimation to be sent by the Registrar to all existing Eligible Equity Shareholders which will contain details of their Rights Entitlement based on their shareholdings as on the Record Date.
- "**Roc**" or "**Registrar of Companies**" shall mean the Registrar of Companies, Gujarat;
- "**SEBI**" shall mean the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended;
- "**SEBI Rights Issue Circulars**" Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13.
- "**Securities Act**" shall mean the United States Securities Act of 1933;
- "**Stock Exchanges**" shall collectively mean the BSE Limited & National Stock Exchange of India Limited where the Equity Shares of the Company are presently listed.
- "**Subsidiary(ies)**" shall mean the subsidiaries of the Company, as defined in Section 2(87) of the Companies Act, 2013;
- "**Working Days**" shall have the meaning as defined under Regulation 2(1)(mmm) of the ICDR Regulations.
- 1.2. The Parties acknowledge and agree that the recitals form an integral part of this Agreement. In this Agreement, unless the context otherwise requires:
- words denoting the singular shall include the plural and vice versa;
  - words denoting a person shall include a natural person, corporation, company, partnership, trust or other entity;
  - headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
  - references to the word "*include*" or "*including*" or in "*particular*" shall be construed to include the words without limitation;
  - references to this Agreement or to any other agreement, deed or other instrument shall be construed as a reference to such agreement, deed, or other instrument as may from time to time be amended, novated, supplemented or otherwise modified in accordance with its terms;

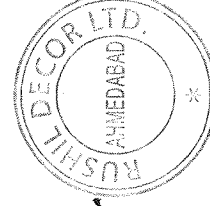
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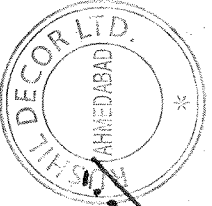
*Rushil*



- f) a reference to a section, clause, paragraph, recital or exhibit is, unless indicated to the contrary, a reference to a section, clause, paragraph, recital or exhibit of this Agreement;
- g) all capitalized terms not specifically defined herein shall have the same meanings assigned to such terms in the ICDR Regulations or the Letter of Offer to be filed by the Company with SEBI and the Stock Exchanges, in relation to the Issue. In case of any inconsistency between the definition of any term as set out in this Agreement and the ICDR Regulations or the Letter of Offer, the definition provided under the ICDR Regulations or the Letter of Offer shall prevail.
- h) references to dates and times shall be construed to be references to Indian dates and times;
- i) references to the word "days" shall, unless otherwise indicated, mean calendar days;
- j) references to a statute or statutory provisions shall be construed as a reference to such provisions as from time to time amended, consolidated, modified, extended, re-enacted or replaced;
- k) references to "Allotment" of Equity Shares by way of the Issue, unless indicated otherwise, includes references to a "credit" of the Equity Shares to the demat accounts of the successful Applicants;
- l) references to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;

## 2. SCOPE OF SERVICES

- 2.1. The Lead Manager shall provide such services as are customary in rights offerings of Rights Equity Shares similar to the Issue, in terms of the Engagement Letter.
- 2.2. The Lead Manager agrees to undertake all the activities and fulfill all the responsibilities in this Agreement and notwithstanding anything contained in this Agreement the Lead Manager shall be responsible in the manner as provided in this Agreement. The Lead Manager shall act in accordance with all applicable statutes, rules and regulations including, without limitation, the rules of the Stock Exchanges and of the SEBI applicable in terms of the Issue.
- 2.3. The Lead Manager shall act as an independent party and conduct its duties only in accordance with the terms of this Agreement and any duties arising out of this Agreement shall be owed solely to the Company.
- 2.4. The Company agrees that the Lead Manager shall be the exclusive manager in respect of the Issue, subject to the terms of this Agreement and the Engagement Letter. The Company shall not, during the term of this Agreement, appoint any other advisor, lead manager or similar entity in relation to the Issue or any other equity financing prior to the completion of the Issue by the Company without the prior written consent of the Lead Manager. During the period of the Lead Managers' appointment hereunder, other than the Company publicly releasing information to the Stock Exchanges in compliance with Applicable Law or regulation, the Company and/or its Affiliates shall not discuss the Issue or any other placement or issuance and allotment of any securities of the Company with any third parties (except through the Lead Manager) and it shall promptly notify the Lead Manager if it receives any inquiry concerning the Equity Shares.
- 2.5. The Board of the Company or any committee constituted by the Board of the Company shall determine the Issue Price in consultation with Lead Manager.
- 2.6. All allotments made pursuant to the Issue shall be in accordance with the ICDR Regulations and shall be undertaken by the Company in consultation with the Stock Exchanges and the Lead Manager.
- 2.7. The Parties agree that entering into this Agreement or the Engagement Letter shall not create any obligation, whether express or implied, on the Lead Manager to enter into any underwriting agreement in connection with the Issue with the Company. This Agreement is not intended to constitute, and should not be construed as an agreement or commitment between the Parties with respect to underwriting or purchasing the Rights Equity Shares.

For Saffron Capital Advisors Private Limited	For Rushil Decor Limited
 	 

2.8. The Lead Manager will have no duty or obligation as a fiduciary whether to the Company or to any other party as a result of this Agreement.

### 3. FEES

3.1. The fees payable to the Lead Manager shall be as specified in the Engagement Letter and shall be paid as per the milestones mentioned in such Engagement Letter. Any balance payment shall be paid from the escrow account opened for the purpose of the Issue.

### 4. EXPENSES

4.1. The expenses payable to the Lead Manager shall be as specified in the Engagement Letter. All out of pocket expenses shall be borne by the Company. All out of pocket expenses incurred by the Lead Manager in consultation with the Company in relation to the Issue shall be reimbursed by the Company.

4.2. The Company has appointed M/s T&S Law as the legal counsel to the Issue in concurrence with the Lead Manager (the "**Legal Counsel to the Issue**").

4.3. The Company also agrees that they shall bear and directly pay all expenses related to the Issue, including statutory advertising, printing, distribution and marketing costs such as courier/ transport charges, Registrar costs, depository and listing related expenses and any other costs relating to services provided by outside agencies in connection with the Issue, including those of the Legal Counsel to the Issue.

4.4. All amounts payable by the Company hereunder shall be payable within 15 working days of presentation of invoice by the Lead Manager or respective party.

### 5. ISSUE TERMS

5.1. The Company, in consultation with the Lead Manager, shall decide the terms of the Issue including any changes to the terms stated herein.

5.2. The Company shall not, without the prior approval of the Lead Manager, file the Issue Documents with SEBI, Stock Exchanges or any other authority whatsoever.

5.3. The Company shall determine the Record Date, the Issue Opening and Issue Closing Dates in consultation with the Lead Manager.


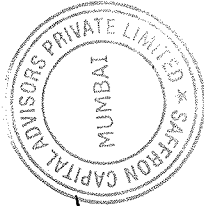
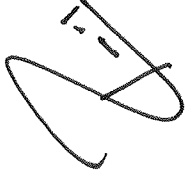
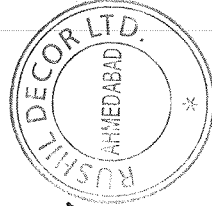
5.4. All allocations / Allotments made pursuant to the Issue shall be in accordance with the ICDR Regulations read with SEBI Rights Issue Circulars and shall be undertaken by the Company, in consultation with the Registrar, Lead Manager and Designated Stock Exchange.

5.5. The Company hereby declares that the Equity Shares proposed to be issued pursuant to the Issue are and will be free and clear from any liens, charges or any other encumbrances, existing or future. The Company further declares that the Equity Shares to be issued pursuant to the Issue shall rank *pari-passu* with the existing Equity Shares of the Company.

5.6. The Company undertakes that it will make applications to the Stock Exchanges for listing of the Equity Shares and shall obtain in-principle approvals from the Stock Exchanges and designate BSE Limited as the Designated Stock Exchanges in consultation with Lead Manager. The Company undertakes that all the steps will be taken for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges.

5.7. The Company undertakes to appoint a monitoring agency to monitor the utilization of the proceeds from the Issue, if required, in terms of the ICDR Regulations.

5.8. The Company hereby confirms, represents and declares that as of the date of the Draft Letter of Offer, it has complied with or agrees to comply with all the statutory formalities under the Companies Act, and the rules framed thereunder, the ICDR Regulations, and applicable instructions, rules, regulations and other relevant statutes to enable the Issuer to undertake the Issue, and the Company confirms, represents and declares that it

<p><i>For Saffron Capital Advisors Private Limited</i></p>  	<p><i>For Rushil Decor Limited</i></p>  
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