RED HERRING PROSPECTUS
Dated June 08, 2010
Please read Section 60B of the Companies Act, 1956
100% Book Built Issue

TECHNOFAB ENGINEERING
L I M I T E D

TECHNOFAB ENGINEERING LIMITED

Our Company was incorporated on July 20, 1971 in New Delhi as Technofab Engineering Private Limited under the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC"). Our Company became a deemed public limited company in terms of Section 43A (1A) of the Companies Act, 1956 with effect from January 4, 1989. Our Company became a public limited company pursuant to the enactment of the Companies (Amendment) Act, 2000 and a special resolution passed by our Company on June 24, 2002. The RoC accordingly altered the Certificate of Incorporation to that effect on May 7, 2003.

Registered Office: 507, Eros Apartments, 56, Nehru Place, New Delhi 110 019, India. For changes in the registered office, please refer the section titled "History and Certain Corporate matters" beginning on page 106 of this Red Herring Prospectus.

Corporate Office: Plot 5, Sector 27-C, Mathura Road, Faridabad 121 003, Haryana, India

Telephone: +91 129 227 0202 **Facsimile:** +91 129 227 0201

Contact Person: Mr. Paresh Kumar Singh, Company Secretary and Compliance Officer; **E-mail:** ipo@technofabengineering.com; **Website:** www.technofabengineering.com

Promoters of our Company: Mr. Avinash C. Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta

PUBLIC ISSUE OF 29,90,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH OF TECHNOFAB ENGINEERING LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●]* PER EQUITY SHARE AGGREGATING RS. [●] LAKHS (THE "ISSUE"). THE ISSUE COMPRISES OF A RESERVATION OF 50,000 EQUITY SHARES OF RS. 10 EACH FOR ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION") FOR CASH AT A PRICE OF RS. [●]* PER EQUITY SHARE AGGREGATING RS. [●] LAKHS AND A NET ISSUE TO THE PUBLIC OF 29,40,000 EQUITY SHARES OF RS. 10 EACH (THE "NET ISSUE") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] LAKHS. THE ISSUE WILL CONSTITUTE 28.50% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY. THE NET ISSUE WILL CONSTITUTE 28.03% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY.

** Discount of Rs. [●] to the Issue Price determined pursuant to completion of the Book Building Process has been offered to Eligible Employees (the "Employee Discount")*

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

THE ISSUE PRICE IS [●] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and at the terminals of the other members of the Syndicate.

This Issue is being made through the 100% book building process wherein upto 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds and the remaining QIB portion shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Any bidder may participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by Self Certified Syndicate Banks ("SCSBs"). For details in this regard, please refer the section titled "Issue Procedure" beginning on page 208

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. **The face value of the Equity Shares is Rs.10 per Equity Share. The floor price is [•] times of the face value and the Cap Price is [•] times of the face value.** The Issue Price (has been determined and justified by the BRLM and our Company as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the statements in the section titled "Risk Factors" beginning on page 10 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

This Issue has been graded by Fitch Ratings India Private Limited and has been assigned the "IPO Grade 3 (ind)" indicating average fundamentals of the issue, through its letter dated March 25, 2010. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. For details regarding the grading of the Issue, please refer to section titled "General Information" beginning on page 36 and IPO Grading Report on page 264 of this Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated February 11, 2010 and March 23, 2010, respectively. For the purposes of the Issue, the BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Collins Stewart Inga	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD.)
COLLINS STEWART INGA PRIVATE LIMITED A-404, Neelam Centre Hind Cycle Road, Worli Mumbai 400 030, India. Telephone: +91 22 2498 2919 Facsimile: +91 22 2498 2956 Email: technofab.ipo@csinga.com Contact Person: Ms. Shruti Vishwanath Website: www.csinga.com	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078, India. Telephone: +91 22 2596 0320 Facsimile: +91 22 2594 0329 Email: tel.ipo@linkintime.co.in Contact Person: Mr. Sachin Achar Website: www.linkintime.co.in

BID / ISSUE PROGRAMME

BID / ISSUE OPENS ON : TUESDAY, JUNE 29, 2010	BID / ISSUE CLOSES ON : FRIDAY, JULY 02 , 2010

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Red Herring Prospectus, and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Company Related Terms

Term	Description
"TEL", "Technofab Engineering Limited", "Technofab" or "our Company"	Technofab Engineering Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.
"We" or "us" and "our"	Unless the context otherwise require, refers to our Company.
“Our Subsidiary”	“Rivu Infrastructural Developers Private Limited” or “RIDPL”

Conventional / General Terms

Term	Description
AOA/Articles/ Articles of Association	Articles of Association of our Company
Auditors	The statutory auditors of our Company being M/s Rajesh Suresh Jain & Associates, Chartered Accountants
Bankers to our Company	Bank of India Axis Bank Limited ICICI Bank Limited State Bank of Mysore
Board of Directors / Board	The Board of Directors of our Company
Companies Act	The Companies Act, 1956
Corporate Office	Plot 5, Sector 27-C, Mathura Road, Faridabad 121 003, Haryana, India
Director(s)	Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
Financial Year/ Fiscal/ FY	The period of twelve (12) months ended March 31 of that particular year.
Group Companies	Includes those companies, firms, ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1) (B) of the Companies Act or not, as disclosed in the section titled "Group Companies" beginning on page 127 of this Red Herring Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of our Company
Non-Resident	A person who is not resident in India as defined under FEMA.
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, each such term as defined under the FEMA (Deposit) Regulations, 2000, as amended.
Overseas Corporate Body / OCB	OCB/Overseas Corporate Body - Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person(s)	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which

Term	Description
	it exists and operates, as the context requires.
Promoters	Mr. Avinash C. Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta
Promoter Group	Persons and entities constituting our promoter group pursuant to Regulation 2(zb) of SEBI (ICDR) Regulations.
Qualified Institutional Buyers or QIBs	A mutual fund, venture capital fund and foreign venture capital investor registered with the SEBI; a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of twenty five crore rupees; a pension fund with minimum corpus of twenty five crore rupees; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India.
Registered Office of our Company	507, Eros Apartment, 56, Nehru Place, New Delhi 110 019, India.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchanges	BSE & NSE, referred to as collectively
TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

Issue Related Terms

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, issue of Equity Shares pursuant to this Issue.
Allottee	The successful bidder to whom the Equity Shares are being / have been issued.
Application Supported by Blocked Amount / ASBA	An application for subscribing to a public issue alongwith an authorization to Self Certified Syndicate Bank to block the application money in a Bank account.
ASBA Investors/ Bidder	Any Bidder who/which intends to apply through ASBA and is applying through blocking of funds in a bank account with an SCSB
ASBA Bid cum Application Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Issue	Axis Bank Limited and ICICI Bank Limited
Bid	An indication to make an offer, made during the Bidding Period by a prospective investor to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period, pursuant to the submission of an ASBA Bid cum Application Form to subscribe to the Equity Shares of our Company.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue.
Bid/ Issue Closing Date	The date after which the members of the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper and a Hindi national newspaper.

Term	Description
Bid/ Issue Opening Date	The date on which the members of the Syndicate and the SCSBs shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper.
Bid-cum-Application Form or BCAF	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Red Herring Prospectus and Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, including ASBA Bidder.
Bidding / Issue Period	The period between the Bid / Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building	A process undertaken to elicit demand and to assess the price for determination of the quantum or value of specified securities or Indian Depository Receipts, as the case may be, in accordance with SEBI (ICDR) Regulations.
Book Building Process	Book building mechanism as provided under Schedule XI of the SEBI (ICDR) Regulations, in terms of which this Issue is made.
BRLM / Book Running Lead Manager	The Book Running Lead Manager for the Issue being Collins Stewart Inga Private Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of Issue Price in accordance with the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branch	Such branch of the SCSBs which coordinates with the BRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in.
Cut-Off / Cut-Off Price	The Issue Price (net of Employee Discount, where applicable) finalised by our Company in consultation with the BRLM and it shall be a price within the Price Band. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Depository Act	The Depositories Act, 1996.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	The recognised stock exchange on which the Equity Shares of our Company are proposed to be listed and for the purposes of this Issue, the Bombay Stock Exchange Limited.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated January 13, 2010 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue.
Eligible NRI	An NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible Employees	A permanent and full-time employee, working in India or abroad, of the issuer or of the holding company or subsidiary company or of that material associate(s) of the issuer whose financial statements are consolidated with the issuer's financial statements as per Accounting Standard 21, or a director of the issuer, whether whole time or part time and does not include promoters and an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of that person or of the spouse) Eligible Employees will be allotted Equity Shares for an aggregate amount less than or equal to Rs. 1,00,000.
Employee Discount	The difference of Rs. [●] between the Issue Price and the differential lower price at which our Company has decided to allot the Equity Shares to Eligible Employees.

Term	Description
Employee Reservation Portion	The portion of Issue being up to 50,000 Equity Shares available for allocation to Eligible Employees.
Equity Shares	Equity Shares of our Company of face value of Rs.10 each unless otherwise specified in the context thereof.
Escrow Account(s)	Account(s) opened with Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (*excluding the ASBA Bidders*) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Bank(s), the Syndicate Member(s) and the BRLM in relation to the collection of the Bid Amounts and dispatch of the refunds (*excluding the ASBA Bidders*) of the amounts collected, to the Bidders.
Escrow Collection Bank(s)	The bank(s), which are clearing members and are registered with SEBI as Banker (s) to the Issue at which the Escrow Account for the Issue will be opened, in this case being Axis Bank Limited and ICICI Bank Limited.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or the ASBA Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
Issue	Issue of 29,90,000 Equity Shares of face value of Rs. 10 each of Technofab Engineering Limited (the "Company" or the "Issuer") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs aggregating Rs. [●] lakhs (the "Issue"). The Issue comprises of a reservation of 50,000 Equity Shares of Rs. 10 each for Eligible Employees (the "Employee Reservation Portion") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs and a net issue to the public of 29,40,000 Equity Shares of Rs. 10 each (the "Net Issue") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs. Discount of Rs. [●] to the Issue Price determined pursuant to completion of the Book Building Process has been offered to Eligible Employees (the "Employee Discount")
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date.
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, being 100% of the Bid Amount.
Members of the Syndicate	Syndicate Members
Mutual Funds	Mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the QIB portion or 73,500 Equity Shares available for allocation to Mutual Fund only, out of the QIB Portion.
Net Issue	The Issue of Equity Shares other than Equity Shares included in Employee Reservation Portion i.e. 29,40,000 Equity Shares of Rs.10 each.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000.
Non-Institutional Portion	The portion of this Issue being not less than 15% of the Net Issue consisting of 4,41,000 Equity Shares aggregating Rs. [●] lakhs, available for allocation to Non Institutional Bidders.
Pay-in Date	Except with respect to ASBA Bidders, the date of submission of Bid or the Bid/Issue Closing Date.
Pay-in-Period	Except with respect to ASBA Bidders, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date.
Price Band	The price band of a minimum price ("Floor Price") of Rs. [●] and the maximum price ("Cap Price") of Rs. [●] and includes revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in

Term	Description
	consultation with the Book Running Lead Manager and advertised at least two working days prior to the Bid/Issue Opening Date in English and Hindi national newspapers (i.e. all English and Hindi editions of Business Standard) and one regional newspaper (i.e. Hindi edition of Haribhoomi), each with wide circulation.
Pricing Date	The date on which our Company in consultation with the BRLM finalises the Issue Price.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of the Companies Act containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of this Issue and certain other information.
Public Issue Account	Account opened with the Banker(s) to this Issue to receive monies from the Escrow Account for this Issue on the Designated Date.
QIB Portion	Consists of 14,70,000 Equity Shares aggregating Rs. [●] lakhs being up to 50% of the Net Issue, available for allocation to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.
Red Herring Prospectus or RHP	The Red Herring Prospectus which will be filed with the RoC in terms of section 60B of Companies Act, at least three (3) days before the opening of the Issue and will become a Prospectus after filing with the RoC after the pricing date.
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, (excluding to the ASBA Bidders) shall be made.
Refund Banker (s)	The bank(s) which is a clearing member(s) and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being Axis Bank Limited.
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS or the ASBA process, as applicable.
Registrar/ Registrar to this Issue	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.
RoC / Registrar of Companies	Registrar of Companies, National Capital Territory of Delhi and Haryana.
Retail Individual Bidders	Individual Bidders (including HUFs in the name of Karta and Eligible NRIs) who have Bid for an amount less than or equal to Rs. 1,00,000 in any of the bidding options in this Issue.
Retail Portion	Consists of 10,29,000 Equity Shares aggregating Rs. [●] lakhs, being not less than 35% of the Net Issue, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
SCSB Agreement	The agreement to be entered into between the SCSBs, the BRLM, the Registrar to the Issue and our Company only in relation to the collection of Bids from the ASBA Bidders.
Self Certified Syndicate Bank or SCSBs	A banker to an issue registered with the SEBI, which offers the facility of Application Supported by Blocked Amount.
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
Syndicate	The BRLM and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into between our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue (excluding Bids from ASBA Bidders).
Syndicate Members	ITI Financial Services Limited, Intime Spectrum Securities Limited and SMC Global Securities Limited.
Transaction Registration Slip/ TRS	The slip or document issued by the Syndicate Members to the Bidders as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Members.
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.

Company / Industry Related Terms / Abbreviations

Term	Description
ADB	Asian Development Bank
AFDB	African Development Bank
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India

Term	Description
BG	Bank Guarantee
B.E.	Budget Estimate
BoP	Balance of Plant
BHEL	Bharat Heavy Electricals Limited
Bn	Billion
BOT	Build, Operate and Transfer
BOOT	Build, Own, Operate and Transfer
BOLT	Build, Operate, Lease and Transfer
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
DIN	Director Identification Number
DM Water	De Mineralised Water
DP	Depository Participant
DVC	Damodar Valley Corporation
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting of the shareholders
EMD	Earnest Money Deposit
EOU	Export Oriented Unit
EPC	Engineering Procurement and Construction
EPS	Earnings Per Share
ETB	Ethiopia Birr
FCNR Account	Foreign Currency Non Resident Account
FDR	Fixed Deposit Receipts
FEMA	Foreign Exchange Management Act, 1999 and the rules and regulations issued thereunder.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FM	Factory Mutual
FY	Financial Year
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GHS	Ghana Cedi
GoI/Government	Government of India
HFO	Heavy Fuel Oil
HR	Human Resource
HT	High Tension
HUF	Hindu Undivided Family
IOCL	Indian Oil Corporation Limited
IPO	Initial Public Offering
I. T. Act	The Income Tax Act, 1961, as amended.
I. T. Rules	The Income Tax Rules, 1962, as amended, except as stated otherwise.
JV	Joint Venture
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KSH	Kenyan Shilling
LC	Letter of Credit
LDO	Light Diesel Oil
LP	Low Pressure
LPCB	Loss Prevention Control Board
LT	Low Tension
MIDC	Maharashtra Industrial Development Corporation
Mn	Million

Term	Description
MMT	Million Metric Tonnes
MW	Mega Watt
NALCO	National Aluminium Company Limited
NAV	Net Asset Value
NBCC	National Buildings Constructions Corporation Limited
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NFPA	National Fire Protection Association
NHPC	National Hydro-electric Power Corporation
NMDC	National Mining Development Corporation
NPCIL	Nuclear Power Corporation of India Limited
NRE Account	Non-Resident (External) Account
NRO Account	Non-Resident (Ordinary) Account
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
NTPC	National Thermal Power Corporation
O&M	Operation & Maintenance
Order Book	Anticipated revenues from the uncompleted portions of existing contracts at a certain date.
PAN	Permanent Account Number
PAT	Profit After Tax
POL	Petrol, Oil and Lubricants
PSU	Public Sector Undertaking
PVC	Polyvinyl Chloride
QIB	Qualified Intuitional Buyer
RBI	Reserve Bank of India
RCC	Readymix Cement Concrete
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAIL	Steel Authority of India Limited
TAC	Tariff Advisory Committee
T&D	Transmission & Distribution
UL	Underwriters Laboratories
ULB	Urban Local Bodies
US	United States
VdS	VdS Schadenverhutung GmbH
WCT	Works Contract Tax
YoY	Year on Year
ZMK	Zambia Kwacha

CERTAIN CONVENTIONS AND USE OF MARKET DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated standalone financial information prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the twelve-month (12) period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the sections titled "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 10, 85 and 174 respectively of this Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial information prepared in accordance with Indian GAAP.

For definitions, see the section titled "Definitions and Abbreviations" beginning on page 1 of this Red Herring Prospectus. In the section titled "Main Provisions of the Articles of Association" beginning on 239 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles.

Use of Market data

Market and industry data used in this Red Herring Prospectus have been obtained or derived from industry publications and sources. These publications generally state that the information contained in those publications have been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made based on such information. Although, we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified.

Additionally, the extent to which the market and industry data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different industry sources.

Currency of Presentation

All references to "India" contained in this Red Herring Prospectus are to the Republic of India, all references to the "US", "USA", or the "United States" is to the United States of America.

Exchange Rate

This Red Herring Prospectus contains conversion of currencies *viz*. U.S. Dollar, Euro, Kenya Shillings, Birr etc., into Indian Rupees (INR). These have been presented solely to comply with the requirements of Item VIII (G) of Part A of Schedule VIII to the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that such currency could have been, or could be, converted into Indian Rupees, at any particular rate or at all.

Unless otherwise stated, we have in this Red Herring Prospectus used the conversion rates (a) the Kenya Shillings exchange rate is 1 khs = Rs. 0.63 (source: www.xe.com) (b) the Euro exchange rate is 1 Euro = Rs. 63.20 (source: www.rbi.org) (c) the Ethopian Birr exchange rate is 1 Birr = Rs. 5.06 (source: www.oanda.com) (d) the Fiji Dollar (F$) exhange rate is 1 F$ = Rs. 24.98 (source: www.oanda.com).

FORWARD LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus which contain words or phrases such as "will", "aim", "is likely to result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements".

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully carry out the projects and business plans for which funds are being raised through this Issue;
- Implementation risks involved in our projects;
- Changes in political and social conditions in India or in countries where we are executing projects, 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 ability to raise capital for our future projects;
- Changes in the value of the Rupee and other currencies;
- Changes in the foreign exchange control regulations in India;
- The performance of the financial markets in India and globally;
- Changes in the prices of the raw materials and increase in labour cost; and
- Dependence on few clients.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to sections titled "Risk Factors", "Our Business" and "Management’s Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 10, 85 and 174 respectively, of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, our Directors and officers, the BRLM, the Underwriters, nor any of our respective affiliates or associates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the final listing and commencement of trading of the Equity Shares allotted pursuant to the Issue on the Stock Exchanges.

SECTION II: RISK FACTORS

RISK FACTORS

The risks and uncertainties described below, together with the other information contained in this Red Herring Prospectus, should be carefully considered before making an investment decision in our Equity Shares. These risks are not the only ones relevant to our Company and our business but also include risks relevant to the industry and geographic regions in which we operate. Additional risks, not presently known to us or that we currently deem immaterial may also impair our business and operations. To obtain a complete understanding of our Company and prior to making an investment decision, prospective investors should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 85 and 174, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. If any of the risks described below actually occur, our business prospects, financial condition and results of operations could be materially affected, the trading price of our Equity Shares could decline, and investors could lose all or part of their investment.

Prospective investors should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment that differs in certain respects from that of other countries.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Internal Risk Factors

1. ***Our Company, Promoters and directors thereof are involved in various litigations, the outcome of which could adversely affect our business operations and financial condition.***

Summary of litigations are given below:

No.	Particulars	No. of cases / disputes	Amount involved where quantifiable (Rs. in Lakhs)
LITIGATION AGAINST AND BY OUR COMPANY			
Litigation against our Company			
1.	Civil/ Arbitration proceedings	11	400.59
2.	Criminal Proceedings	1	86.31
Direct & Indirect tax proceedings filed against our Company			
3.	Income tax proceeding	1	229.96#
4.	Sales tax proceedings	5	30.19#
5.	Customs proceeding	1	--
Litigation filed by our Company			
6.	Civil/ Arbitration Proceedings / Writ Petition	6	1,600.21
7.	Criminal Proceedings	2	105.62
LITIGATION AGAINST AND BY OUR PROMOTERS, OUR DIRECTORS			
Direct tax proceedings against our Promoters, Our Directors			
8.	Income tax proceedings	3	148.60
9.	Civil Proceeding	1	--

 # The above tax liabilities are subject to interest charges and penalties imposed by the Department, if any.

For details of the above litigation, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 183 of this Red Herring Prospectus.

2. ***Our registered office is not owned by us and a suit has been filed against our Company for possession of the premises.***

The registered office of our Company is a leased premise for a period of three (3) years w.e.f April 15, 2009 to April 14, 2012. For further details please refer to the section titled "Our Business" on page 85. The landlord of the premises has since deceased and one Mr. Ashok Kumar Sharma is claiming to be the legal heir of the deceased landlord. Mr. Ashok Kumar Sharma has filed a suit against our Company before the Addl. District & Sessions Judge, Patiala House Courts, New Delhi (*322 of 2009*) for the recovery of possession of the registered office premises i.e. Flat No. 507, Eros

Apartment, 56, Nehru Place, New Delhi 110 019. In the event the Court directs us to vacate the office premises, we will have to shift our registered office either to our Corporate office at Faridabad or at some other premises in New Delhi after taking necessary approvals which may temporarily affect our administrative functions.

3. ***Our contingent liabilities could materially and adversely affect our financial condition.***

As per our Restated Financial Statements, our contingent liabilities as on March 31, 2010 are as follows:

(Rs. in Lakhs)

Nature of Liability	As on March 31, 2010
Bank guarantee & Letter of Credit Outstanding	12,264.50
Sales Tax Matters	13.55
Claims Matters	14.92
WCT Matters	0.00
Total	**12,292.97**

If any of these contingent liabilities materialise, fully or partly, our financial condition could be materially and adversely affected.

4. ***We had negative cash flows for certain periods. Any negative cash flow in the future could affect our operations and financial conditions***

As per our Restated Standalone Financial Statements, our cash flows in the last five years are as follows:

(Rs. In Lakhs)

Particulars	Year Ended				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Net Cash From/ (used in) Operating activities	(937.03)	1,196.02	1,631.92	948.71	283.61
Net Cash From/ (used in) Investing activities	(286.79)	(290.80)	(213.14)	(14.34)	0.25
Net Cash From/ (used in) Financing activities	(84.72)	873.53	(934.51)	(990.62)	(195.17)
Net increase in cash and cash equivalents	**(1,308.55)**	**1,778.75**	**484.27**	**(56.25)**	**88.68**

Any negative cash flow in the future could affect our operations and financial conditions. For further details, please refer to the section titled "Financial Statements" begining on page 132 of this Red Herring Prospectus.

5. ***We have entered into and may continue to enter into related party transactions. As per our Restated Standalone Financial information, in fiscal year 2010, 2009 and 2008 the aggregate of such transactions was Rs. 794.48lakhs, Rs.458. 08 lakhs and Rs.1543.17 lakhs respectively.***

We have entered into and may continue to enter into related party transactions. Such transactions or any future transactions with related parties may potentially involve conflict of interest and impose certain liabilities on our Company. For details, please refer to the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus."

6. ***We rely substantially on government-owned and government-controlled entities for our work orders. Political or financial pressures may cause a decrease in Government spending on public sector projects which could adversely affect our growth.***

Our business constitutes of EPC contracts for projects undertaken mainly by public sector undertakings, governmental authorities and other entities funded by government or international and multilateral development finance institutions. Contracts awarded by Central, State and Local Governmental authorities constitute more than fifty percent (50%) of our Order Book as on March 31, 2010. In the event, the Government's fiscal position changes adversely, the Government may cut its spending on infrastructure and engineering projects which in turn will affect the number of projects awarded to us.

Further, most of our projects have been awarded by government-owned or government-controlled entities and, therefore, may be subject to political or financial pressures that may lead to such agreements being restructured or renegotiated by these entities, which could materially and adversely affect our business and results of operations. Additionally, government-owned or government-controlled projects are often prone to delays. Such delays could be on account of a change in the Central and/or State government, changes in policies impacting the public at large, scaling back of government policies or initiatives, changes in governmental or external budgetary allocation, or insufficiency of funds, which can significantly and adversely affect our business, financial condition and results of operations.

7. ***Contracts awarded to us by our clients including government-owned and government-controlled entities may be terminated which may affect our results of operation and financial condition.***

One of the standard conditions in contracts typically awarded by our clients including government-owned and government-controlled entities is that they have the right to terminate the contract at any time, without assisning any reason, after providing us with notice that may vary from a period of 15 to 90 days. In the event that a contract is so terminated, our results of operation and financial condition may be adversely affected.

8. ***Projects included in our Order Book may be delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position and revenues.***

Our Order Book does not necessarily indicate future earnings related to the performance of that project. Order Book projects represent business that is considered firm, but cancellations, change in scope or schedule adjustments may occur. We may also encounter problems executing the project as ordered, or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failures to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of projects, as a result of exercises of our clients' discretion, problems we encounter in project execution, or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent an Order Book project will be performed. Delays in the completion of projects can lead to clients delaying or refusing to make payment to us of some or all of the amounts we expect to be paid in respect of the project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, the final payments due to us on a project. These payments often represent an important portion of the margin we expect to earn on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. In the last ten (10) years, there have been no incidences of cancelled orders, however there have been delays in six (6) projects as per our current Order Book. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm the cash flow position, revenues and earnings of our Company. Further, litigations affecting the existing or future projects may also affect our Order Book position.

9. ***Our inability to qualify for or win large EPC contracts and compete with other engineering companies could adversely affect our margins and results of operations.***

Substantially all our contracts are obtained through a competitive bidding process. Pre-qualification is pre-requisite to our winning most projects. In selecting contractors for such projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria, including technical ability, past performance, financial strength and the size of previous contracts executed in similar projects, although the price competitiveness of the bid is usually the most important selection criterion. We are currently qualified to bid for projects up to certain values commensurate with our track record of previously completed projects and current net worth *vis-a-vis* the project size and required net worth considered appropriate by the client, and therefore may not be able to compete with other engineering companies for larger, higher-value projects, on our own or find suitable joint venture partners. Our ability to bid for and win larger value projects is dependent on our ability to find suitable joint venture partners. Any inability to qualify for and win large EPC contracts and compete with other engineering companies could adversely affect our margins and results of operations.

10. ***We engage sub-contractors or other agencies to execute some of our projects. Any delay on their part in executing the orders could affect our reputation and results of operations.***

We may rely on sub-contractors or other agencies for the implementation of some of our projects. For such projects, we generally enter into several arrangements with such sub-contractors. Accordingly, the timing and quality of our projects depend on the availability and skill of those sub-contractors. We may also engage casual workforce in our projects. Although we believe that our relationships with our subcontractors are cordial, we cannot assure that such sub-contractors will continue to be available at reasonable rates and in the areas in which we execute our projects. If some of these agencies do not complete the orders timely or satisfactorily, our reputation and results of operations could be adversely affected.

11. *Group Companies have incurred losses in the past and may incur losses in the future.*

Some of Group Companies *viz.* Techfab International Private Limited and Wrap Art & Design Private Limited have incurred losses in the past. The details of these losses are set out in the table below:

Name of the Group Company	F.Y. 2007 (Rs. in Lakhs)	F.Y. 2008 (Rs. in Lakhs)
Techfab International Private Limited	(2.30)	13.08
Wrap Art & Design Private Limited	(0.32)	(22.80)

12. *We have not placed orders for certain equipment required as part of our expansion plans. Any delay in placing the orders or supply of equipment may result in cost and time overrun.*

We have not placed orders for certain equipment amounting to Rs. 1,469.03 lakhs constituting more than 90% of the total equipment required for our expansion plans as mentioned in the "Objects of the Issue", which constitutes more than 90% of the total equipment required. Further, we are subject to risks on account of escalation in the price of equipment that we require. Any delay in placing the orders or supply of equipment may result in cost and time overrun.

13. *We may not receive the permissions or approvals from the relevant authorities to construct our training centre at Nagpur which is one of our "Objects of the Issue".*

One of the "Objects of the Issue" is to set up a training centre in Nagpur for training our employees and new recruits. We have entered into an Agreement with Mr. Alok Chandra for acquiring land situated at Nagpur for setting up the training centre. Our Company shall execute the sale deed with the vendor on receipt of issue proceeds. On conveyance of the land in our name, we shall make applications to the regulatory authorities for various approvals required for setting up the training centre. We cannot assure that we will be able to obtain such approvals, or we shall receive the approvals on time, and further that the cost of construction and other miscellaneous expenses will be at the same price at which we have obtained the estimates. For details, please refer to the section titled "Objects of the Issue" beginning on page 52 of this Red Herring Prospectus.

14. *One of the "Objects of the Issue" is to set up maintenance and storage facility for construction equipment. Our Company has not yet identified the location for the same.*

Our Company plans to set up maintenance and storage facility for construction equipment close to our Corporate Office at Faridabad. We are yet to identify the land for the same. We may not be able to acquire suitable land in this area if favorable terms are not offered to us by land-owners. Any delay in identifying the land will result in delay in setting up the facility. For details, please refer to the section titled "Objects of the Issue" beginning on page 52 of this Red Herring Prospectus.

15. *Our Company's other income includes income which is non-recurring in nature. The other income may vary from fiscal and fiscal and may affect the profitability of our Company.*

Our other income includes Miscellaneous Receipts (exchange rate variations, interest on income tax refund and profit from sale of fixed assets) and dividend received. As per the Restated Standalone Financial Statements as on March 31, 2010, 2009, 2008, 2007 and 2006, our other income was Rs. 11.19 lakhs, Rs. 26.10 lakhs, Rs. 63.59 lakhs, Rs. 25.09 lakhs and Rs. 8.99 lakhs respectively which were non-recurring in nature. Since this is not a part of the income from operations, it may vary from fiscal to fiscal and may affect the profitability of our Company.

16. *There is a possibility that more than 25% of the proceeds of the Issue will be deployed towards general corporate purposes and we may not be able to make adequate disclosures with regard to such utilisation.*

We intend to utilize a portion of the proceeds of the Issue for general corporate purposes. Our Board has not yet authorised any specific commitments or acts, with respect to utilization of the portion of the proceeds of the Issue which will be used for general corporate purposes. Consequently, in the event that such proceeds which will be used for general corporate purposes exceeds 25% of the proceeds of the Issue, we may not be able to make adequate disclosures to inform investors of the utilization of these funds.

17. ***We may not be selected for any of the projects for which we have submitted a bid which may affect our financial condition.***

There are certain proposed projects for which we have submitted financial bids or we have been qualified to submit a financial bid. We cannot assure you that where we have been qualified to submit a financial bid or that our financial bids, when submitted or if already submitted, would be accepted. Further, there might be delays in the bid selection process owing to a variety of reasons which may be outside our control and our bids, once selected may not be finalized within the expected time frame which may affect our financial condition.

18. ***We may not be successful in managing our growth. Any inability to manage our growth may have a material and adverse effect on our business, results of operations and financial condition.***

Our Company has experienced growth in turnover of 32.00%, 84.34% and 34.20%, on a Year-on-Year basis for fiscal year ended on March 31, 2008, March 31, 2009 and March 31, 2010 respectively. While no assurance can be given that the past increases in our revenue will continue, if we continue to grow as we expect, this growth will place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organization. As part of our growth strategy, we have diversified and intend to continue to diversify the portfolio of projects and services offered by us into new sectors. However, due to our relative inexperience in these new sectors, such new business may not be successful, which could hamper our growth prospects and may also damage our reputation. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of project control and management and client satisfaction;
- successfully executing our projects;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- operating in jurisdictions where we have limited experience.

Any inability to manage our growth may have a material and adverse effect on our business, results of operations and financial condition.

19. ***We may not be successful in implementing our business strategies effectively or at all which could affect our growth prospects.***

The success of our business will depend greatly on our ability to implement our business strategies effectively. For further information, please refer to the section titled "Our Business" beginning on page 85 of this Red Herring Prospectus. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted clients. We expect the implementation of our strategies to place significant demands on our management and other resources and require us to continue developing and improving our financial, operation and other internal controls. Any inability to manage our business and implement our strategies effectively or at all could have a material adverse effect on our business, financial condition and profitability.

20. ***Our Order Book is relatively concentrated to a few clients. If we suffer losses in one or more of the contracts, it could have a material adverse effect on our results of operations and financial condition.***

Our current order book has multiple work orders from a limited number of clients. We believe that our Order Book will continue to be relatively concentrated. Our five (5) largest clients keep varying from time to time and represented approximately 35.11% of our Order Book as at March 31, 2010. Similarly, our five (5) largest customers represented 62.5% of sales for the year ended March 31, 2010. We believe that our Order Book will continue to be relatively concentrated amongnst limited number of clients. If we do not achieve our expected margins or suffer losses on one or more of these contracts, this could have a material adverse effect on our results of operations and financial condition.

21. ***Our business is dependent on continuing relationships with our clients and partners. Our inability to maintain the relationship with our clients/partners may affect our business and results of operations.***

Our business is significantly dependent on EPC projects undertaken by government agencies and private companies. Our top five (5) clients vary from period to period depending on the completion schedule of projects. Our top five (5) clients provided approximately 95%, 75% and 62.50% of our total revenue in fiscal year 2008, 2009 and 2010 respectively. Our business is also dependent on developing and maintaining alliances with our partners. Our business and results of operations will be materially and adversely affected if we are unable to maintain a continuing relationship or pre-qualified status with our clients and partners.

22. ***Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.***

We have entered into consortium agreement with certain banks for working capital requirements. Some of these agreements contain restrictive covenants, including, but not limited to, requirements that we obtain written consent from lenders prior to issuing new shares, incurring further debt, creating further encumbrances on our assets, effecting any scheme of amalgamation or restructuring, undertaking guarantee obligations, declaring dividends, undertaking new projects or making investments. These restrictive covenants require us to seek the prior approval/consent of lenders. Though we have received approvals from all our lenders for this Issue, the same may not be available for the aforesaid activities in future. Any delay or non receipt of such approvals/consents could adversely affect our Company's ability to implement management decisions with regard to our business

23. ***We enter in joint ventures with third parties for executing some of our projects. In the event of any disputes with them it could adversely affect our business and results of operations.***

Our Company enters into joint ventures with the third parties for execution of some of our projects as a part of our efforts to expand our business. As with most joint venture arrangements, differences in views among the joint venture participants may result in delayed decisions or disputes. We cannot assure you that our relationships with our joint venture partners can at all times be amicably maintained. We also cannot control the actions of our joint venture partners. These factors could potentially harm the business and operations of a joint venture and, in turn, materially and adversely affect our business and results of operations.

These existing and/or future joint venture arrangements involve a number of risks, including:

- Disputes with joint venture partners in connection with the performance of each party’s obligations under the relevant joint venture agreements;
- Financial difficulties encountered by a joint venture partner affecting its ability to perform its obligations under the joint venture agreements with us;
- Conflicts between the policies and objectives adopted by the joint venture partners and those by us;
- Joint venture partners having economic or business interests inconsistent with ours; and
- Joint venture partners that follow inconsistent business processes, internal controls and internal control over financial reporting than we follow.

The realization of any of these risks and other factors may lead to disputes between our joint venture partners and us and affect the operations and our financial condition and results of operations may be materially and adversely affected.

24. ***We are exposed to significant risks on fixed-price or lump-sum turnkey contracts. Our estimates for contracts may vary with actual expense which could have a significant effect on our results of operations.***

Under the terms and conditions of fixed-price or lump-sum contracts, we generally agree to a fixed-price for providing engineering, procurement and construction services for the part of the project contracted to us or, in the case of turnkey contracts, completed facilities which are delivered in a ready to operate condition, subject, however, to contract variations pursuant to changes in a client’s project requirements. The actual expense to us for executing a fixed-price or lump-sum turnkey contract may vary substantially from the assumptions underlying our bid for various reasons, including:

- unanticipated changes in engineering design of the project;
- unanticipated increases in the cost of equipment, materials or manpower;
- delays associated with the delivery of equipment and materials to the project site;
- unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs;
- delays caused by local weather conditions;
- suppliers’ or subcontractors’ failure to perform; and
- delays caused by us.

In addition, we may be required to pay liquidated damages to the client for any delays caused by us. These variations may result in our profits being lower from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our results of operations.

25. ***We face significant competition in each of our business segments. Any failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations.***

We operate in a competitive environment. Our competition varies depending on the size, nature and complexity of the project and its specific industry segment. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. The industries in which we compete have been frequently subject to intense price competition. Some of our competitors are larger than us and have greater financial resources and they may also benefit from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with our competitors in the future, and the failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations. For more information on our competitors in specific industry segments, please refer to the section titled "Our Business" beginning on page 85 of this Red Herring Prospectus.

26. ***We have high working capital requirements, which require that we have sufficient cash flows to meet required payments on our debt and working capital needs.***

Our business requires a significant amount of working capital. Most of our contracts provide for progress payments. Our working capital requirements may increase if, in certain contracts, payment terms include reduced advance payments or payment schedules that specify payment which are less favorable to us. Delays in progress payments or release of retention money or guarantees in form of letters of credit from our clients may increase our funds required for working capital. If a client defaults in making its payments on a project to which we have deployed significant resources, it could also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. There can be no assurance that the progress payments and the retention money will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such delayed payment. All of these factors may result, in increases in the amount of our receivables and short-term borrowings. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

It is customary in the industry in which we operate to provide letters of credit, bank guarantees or performance bonds in favor of vendors/clients to secure obligations under contracts. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts or execute the existing contracts could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs and limits our ability to provide bonds, guarantees, and letters of credit, and to repatriate funds or pay dividends. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient quantities to match our business requirements.

27. ***We may not be able to secure additional funding in the future. In the event our Company is unable to obtain sufficient funding, it may delay our development and expansion plans and have a material adverse effect on our business and financial results.***

From time to time, our plans may change due to changing circumstances, new business developments, new business or investment opportunities or unforeseen contingencies. If our plans do change, we may need to obtain additional external financing to meet capital expenditure plans, which may include commercial bank borrowings or issue further equity shares or other securities. If we raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and we may be subject to additional covenants, which could limit our ability to access cash flow from operations and/or other means of financing. We cannot assure you that we will be able to raise adequate financing to fund future capital requirements on acceptable terms, in time or at all. Any failure to obtain sufficient funding could result in the delay or abandonment of our development and expansion plans and have a material adverse effect on our business and financial results.

28. ***Our project completion depends on effective and efficient project management capabilities. Any adverse change in our project management capabilities could affect our ability to complete projects on a timely basis or at all, which may cause us to incur liquidated damages for time overruns pursuant to our contracts.***

Our business depends on the proper and timely management of our projects. Although, we focus on project management in a number of ways, including by appointing project managers, ineffective or inefficient project management could increase our costs and expenses, and thus materially and adversely affect our profitability. We typically enter into contracts which provide for liquidated damages for time overruns. Further, in our contracts our clients may be required to obtain statutory approvals for right of way, pay compensation for acquisition of land, increasing the risks of idling of resources and delay, as well as our liabilities. In case we are unable to meet the performance criteria as prescribed by the clients and if liquidated damages are levied which may extend upto 10% of the contract price, our financial condition and results of operations could be materially and adversely affected.

29. ***Our international operations subject us to the laws of the foreign jurisdiction and other risks inherent in doing business in foreign countries.***

Our Company is presently carrying out projects in Ethiopia, Fiji and Kenya and is bidding in several other African countries. We believe international markets represent long-term growth opportunities for us and, therefore, intend to focus on African market. We cannot assure you that we will be successful in these efforts. Our international exposure will require management's attention and resources and will subject us to foreign currency exchange risks and the laws of foreign jurisdictions. Further, any change in the political conditions, economical conditions or the laws/rules and regulations in the country where we propose to expand our operations may have a material impact on revenue. International litigation is often expensive and time consuming and could distract management's attention away from the operation of the business. International operations are subject to other inherent risks, including, but not limited to difficulties related to the procurement of equipment, staffing and managing foreign operations. We may need to develop expertise in our operations in foreign markets and may be unable to do so. Our failure to address these risks adequately could materially and adversely affect our business, results of operations and financial condition. In addition to the above, various countries in the African continent have been facing law and order problems, ethnic conflicts and civil wars. The operations of our Company in such countries may get severely affected in the event there is any law and order problem in the country or countries where we are executing a project.

30. ***We have limited control over the award of new contracts and the timing of client payments, which can cause significant variations in our results of operations and cash flows from period to period.***

As our income is generated from EPC contracts and the timing of new project awards and their commencement can vary significantly, our results of operations and cash flow may be subject to significant periodic fluctuations. It is generally very difficult to predict whether or when we will receive such awards as these contracts frequently involve a lengthy and complex bidding and selection process which is affected by a number of factors, such as market conditions, governmental approvals and project specific dynamics. As a substantial majority of our income is generated from EPC contracts, our results of operations and cash flow may fluctuate significantly from quarter to quarter depending on the timing of our contract awards. We recognize income from our EPC contracts at the time of billing, which generally depends on the client’s approval and certification. As a result, even after we are awarded EPC contracts and we have begun providing services, income recognized from such business vary significantly from period to period depending upon how much of the project is billed and the total costs incurred.

31. ***Our operations are subject to hazards and other risks and could expose us to material liabilities, loss in revenues and increased expenses.***

While EPC companies, including us, conduct various risk studies during the course of bidding for projects, there are always unanticipated or unforeseen risks that may come up due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing engineering services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement and/or construction services which is termed as "defect liability period" provided by us within the warranty periods extended by us, which generally ranges from 12 to 24 months from the date of commissioning. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Some of project contracts may not provide for reimbursement in escalation in the price of key inputs. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some of the jurisdictions in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law. Clients and subcontractors may not have adequate financial resources to meet their indemnity obligations to us. Losses may derive from risks not addressed in our indemnity agreements or insurance policies, or it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves against engineering and construction industry risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations and the perception of our suppliers, clients and employees, leading to an adverse effect on our business. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

32. ***Our insurance coverage may prove inadequate to satisfy future claims against us, and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.***

We maintain insurance for a variety of risks, including risks relating to construction, automobile accidents, marine insurance and other similar risks. However, in some cases, we may have not obtained the required or contemplated insurance or such insurance policies may have lapsed prior to the completion of the project. Further, we may not have obtained insurance cover for some of our projects, products or services that do not require us to maintain insurance since the principal employer might be under an obligation to maintain the same. There are various other types of risks and losses for which we are not insured, such as loss of business and environmental liabilities, because they are either uninsurable or not insurable on commercially acceptable terms. We also do not carry any key-man insurance. Further our Company is in the process of obtaining insurance coverage for its overseas project in Fiji. Should an uninsured loss or a loss in excess of insured limits occur, or our insurers decline to fully compensate us for our losses, we could incur liabilities, lose capital invested in that property or lose the anticipated future income derived from that business or property, while remaining obligated for any indebtedness or other financial obligations related to our business. Any such loss could result in an adverse effect to our financial condition.

33. ***We depend on the adequate and timely supply of raw materials at commercially acceptable prices. Any delay in procuring requisite raw materials at suitable prices could affect our business operations.***

Our business is significantly affected by the availability, cost and quality of the raw materials which we need to construct, develop and provide our projects, products and services. The prices and supply of raw materials depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties. If, for any reason, our primary suppliers of raw materials should curtail or discontinue the delivery of such materials to us in the quantities we need, provide us with raw materials that do not meet our specifications, or at prices that are not competitive or not expected by us, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our results of operations and business could suffer.

34. ***We may be subject to industrial unrest, slowdowns and increased labour costs. In the event of any industrial unrest, slowdowns or increase labour cost may materially and adversely impact our operations and financial condition***.

As at March 31, 2010, our Company had approximately 222 full-time employees. In addition, we hire contract labour on our project sites to meet our project requirements. While we believe that we maintain good relationships with our employees and contract labor, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may materially and adversely affect our business and results of operations.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers during employment and upon retrenchment. Under Indian law, workers also have a right to establish trade unions. Although our employees are not currently unionised, we cannot assure you that they will not unionize in the future. If some or all of our employees unionize or if we experience unrest or slowdowns, it may become difficult for us to maintain flexible labour policies and we may experience increased wage costs and employee numbers. We also depend on third party contractors for the provisions of various services associated with our business. Such third party contractors and their employees/workmen may also be subject to these labour legislations. Any industrial unrest, slowdowns which our third party contractors may experience could disrupt the provision of services to us and may materially and adversely impact our operations and financial condition.

35. ***We may be unable to keep pace with technical and technological developments in the industry in which we compete which could materially and adversely affect our business and financial results.***

To meet our clients' needs, we must continuously update existing and develop new technologies for our EPC services. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write downs of assets. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could materially and adversely affect our business and financial results.

36. ***We may be unable to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business. Any delay / failure in obtaining the required permits or approvals may result in the interruption of our operations.***

We require certain statutory and regulatory permits and approvals for our business. For example, laws or regulations in some countries, including India, may require us to obtain licenses or permits to conduct our operations. Some activities related to our projects may be subject to the prior granting of environmental licenses or permits or to prior notification. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. Some of our approvals have expired which our Company is in the process of getting it renewed. For further information, please refer to the section titled "Government and other Approvals" beginning on page 191 of this Red Herring Prospectus.

37. ***Our Company has made an application for registration of its name and logo under the Trade Marks Act, 1999. Failure to obtain registrations of these trademark, and pending their registration, we may not have a strong recourse to legal proceedings to protect our trademark which could have an adverse effect on our business.***

We have filed applications with the Trade Marks Registry for registration as its trade mark for our Company's name and logo under the relevant provisions of the Trade Marks Act, 1999, which are pending as on date of this Red Herring Prospectus. Our applications may not be allowed or third parties may challenge the validity or scope of this application or the trademark if the application is approved. If we fail to successfully obtain or enforce our trademark, we may need to change our logo. Failure to obtain registrations of these trademark, and pending registration of this trademark, we may not have a strong recourse to legal proceedings to protect our trademark, which could have an adverse effect on our business.

38. ***Our success will depend on our ability to attract and retain our key management personnel. If we are unable to do so, it may adversely affect our business and results of operations.***

Our future success depends on the continued service and performance of the members of our senior management team and other key personnel in our business for project implementation, management and running of our daily operations, and the planning and execution of our business strategy. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in the engineering business and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our objectives could be impaired. We do not own key man insurance and the loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it may adversely affect our business and results of operations. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business, and results of operations.

39. ***Our Company has availed unsecured loans from directors and other entities which are payable on demand. Any short notice for repayment may have a temporary impact on financials of our Company.***

Our Company has availed unsecured loans aggregating to approximately Rs. 423.48 lakhs as on March 31, 2010 from directors and certain other corporate entities. These loans, being demand loans may be called at any time by these entities. In the event that these loans are required to be re-paid on a short notice, our Company may have to arrange for additional funds which may have a temporary impact on financials of our Company.

40. ***Our Company settled its outstanding debt with Central Bank of India under a compromise proposal.***

Our Company experienced certain financial constraints during the period 2001-2005 on account of which dues of one its banker *viz*., Central Bank of India remained unpaid. In the year 2006, our Company paid the total outstanding dues payable to Central Bank of India amounting to Rs. 1,113 lakhs as a One Time Settlement (OTS) in full.

41. ***We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition.***

Our Company has entered into EPC contracts in Ethiopia, Fiji and Kenya and we shall continue to enter into more of such overseas contracts in future. The costs of these projects are denominated in foreign currency and any adverse fluctuations in the exchange rate of foreign currency for Indian Rupee could adversely affect our financial condition and operations. We have not hedged our risks against foreign exchange fluctuations in this regard.

42. ***We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.***

Changes in interest rates could significantly affect our financial condition and results of operations. Our borrowings were at interest rates as determined by the respective banks and in the event that any such rate is linked to commercial bank advance rate or prime lending rate, then such rate would be calculated on the respective daily balance of cash credit accounts maintained by our Company with each such bank and in the absence of anything to the contrary the interest rates were as specified in the consortium agreement. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

43. ***There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Board of Directors, though it shall be monitored by the Audit Committee***

As per SEBI (ICDR) Regulations, appointment of monitoring agency is required only for Issue size above Rs. 50,000 lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the Audit Committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the Audit Committee public through advertisement in newspapers.

44. ***Our Company may face risks of delays/non-receipt of the requisite regulatory/statutory approvals or licenses for any of the Objects arising out of the Issue. Any delay in receipt or non-receipt of licenses or approvals could result in cost and time overrun.***

We would be applying for various licenses, approvals at various stages of implementation for our Objects. Any delay in receipt or non-receipt of licenses or approvals that may be required for the Object could result in cost and time overrun, and accordingly adversely affecting our operations and profitability. For details, please refer to the section titled "Government & Other Approvals" beginning on page 191 of this Red Herring Prospectus.

External Risk Factors

45. ***Global recession and market conditions could cause our business to suffer.***

The developed economies of the world viz. US, Europe, Japan and others are in midst of recession which is affecting the economic condition and markets of not only these economies but also the economies of the emerging markets like Brazil, Russia, India and China. General business and consumer sentiment has been adversely affected due to the global slowdown and there can be no assurance whether these developed economies will see good economic growth in the near future.

46. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect our business and the Indian financial markets.***

Terrorist attacks and other acts of violence or war, including those involving India, the United States or other countries, may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our Company's business, results of operations and financial condition.

47. ***Demand for our services depends principally on expenditure levels in the power, industrial and infrastructure sectors.***

Demand for our services is principally dependent on sustained economic development in the regions in which we operate. In addition, demand for our services is largely dependent on government policies relating to infrastructure development and budgetary allocations made by governments for such development, as well as funding provided by international and multilateral development financial institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and the sharing of risks and returns from such projects. A reduction of capital investment in the power, industrial and infrastructure sectors for any reason could have a material adverse effect on our business, results of operations and financial condition.

48. ***Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely affect our business and our results of operations.

49. ***Outbreak of contagious diseases in India may have a negative impact on the Indian industry.***

Recently, there have been threats of epidemics, including the H1N1 virus that causes "swine flu" and which the World Health Organization has declared a pandemic, in the Asia Pacific region, including India, and in other parts of the world. If any of our people are suspected of having contracted any of these infectious diseases, we may be required to quarantine such people or the affected areas of our facilities and temporarily suspend part or all of our operations. Further, the fear of contracting such contagious diseases could prevent our clients from traveling to India or to other parts of Asia Pacific and could restrict our people from traveling outside India, which would have a material adverse effect on our business, prospects, financial condition and results of operations and could cause the price of our Equity Shares to decline.

50. ***Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

51. ***After this Issue, the Equity Shares may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our Company's operations, the performance of our Company's competitors, developments in the engineering sector and changing perceptions in the market about investments in the engineering sector, adverse media reports on our Company or the engineering sector, changes in the estimates of our Company's performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, no assurance can be given that an active trading market for the Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall. If an active trading market was to develop, the Equity Shares could trade at prices that may be lower than the Issue Price.

52. ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares investors purchase in the Issue.***

The Equity Shares will be listed on BSE and NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two (2) working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within twelve (12) working days of the Bid/Issue Closing Date. Our Company cannot assure that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

53. ***We will require final listing and trading approvals from BSE and NSE before trading commences.***

Our Equity Shares currently have no trading market. We require in-principle, final and trading approvals from the Stock Exchanges before trading can commence. We will apply for such final listing and trading approvals at different stages of the Issue. There can be no assurance that we will receive such approvals on time or at all.

54. ***Future issues or sales of our Equity Shares may significantly affect the trading price of the Equity Shares.***

Future issue of Equity Shares /convertible instruments by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may significantly affect trading price of the Equity Shares. Other than the lock-in of pre-issue capital as prescribed under SEBI (ICDR) Regulations, none of our shareholders are subject to any lock-up arrangements restricting their ability to issue Equity Shares or the Shareholders' ability to dispose of their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, its shares. For details of lock in of pre-issue Equity Share capital, please refer to the section titled "Capital Structure" beginning on page 43 of this Red Herring Prospectus.

Prominent Notes

1. Public Issue of 29,90,000 Equity Shares of face value of Rs. 10 each of Technofab Engineering Limited (the "Company" or the "Issuer") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs (the "Issue"). The Issue comprises of a reservation of 50,000 Equity Shares of Rs. 10 each for Eligible Employees (the "Employee Reservation Portion") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs and a net issue to the public of 29,40,000 Equity Shares of Rs. 10 each (the "Net Issue") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs. The Issue will constitute 28.50% of the post issue paid-up equity capital of our Company. The Net Issue will constitute 28.03% of the post issue paid-up equity capital of our Company.

   Discount of Rs. [●] to the Issue Price determined pursuant to completion of the Book Building Process has been offered to Eligible Employees (the "Employee Discount").

2. The net worth of our Company as per our restated consolidated financial statements and restated standalone financial statements was Rs. 5017.67 Lakhs and Rs. 4997.71 Lakhs respectively as of March 31, 2010. For details, please refer to the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus.

3. The average cost of acquisition of the Equity Shares by our Promoters, Mr. Avinash C. Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta is Rs. 24.90, Rs. 12.83 and Rs. 13.22 per Equity Share, respectively. The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amount paid by them to acquire the Equity Shares of our Company. For details, please refer to the section titled "Capital Structure" beginning on page 43 of this Red Herring Prospectus.

4. The book value of our Company as per our restated consolidated and standalone financial statements, included in this Red Herring Prospectus are Rs. 66.90 per Equity Share and Rs. 66.64 per Equity Share, respectively as on March 31, 2010.

5. The aggregate amount of related party transactions of our Company amounted to Rs. 794.48 lakhs as per the restated standalone financial information in Fiscal 2010. For details on Related Party Transactions, please refer the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus.

6. Our Company has not issued any Equity Shares for consideration other than cash except as provided in the section titled "Capital Structure" beginning on page 43 of this Red Herring Prospectus.

7. For details of transactions in the securities of our Company by the Promoters, the Promoter Group and the Directors in the last six (6) months, please refer to the section titled "Capital Structure" beginning on page 43 of this Red Herring Prospectus.

8. For information on changes in our Registered Office and Main Objects Clause of the Memorandum of Association of our Company, please refer to the section titled "History and Certain Corporate Matters" beginning on page 106 of this Red Herring Prospectus.

9. None of our Promoters, Directors or Key Managerial Personnel have any interest in our Company, except as disclosed in the sections titled "Capital Structure", "Our Promoters", "Group Companies" and "Our Management" beginning on pages 43, 125, 127 and 111, respectively, of this Red Herring Prospectus.

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

11. Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such *inter-se* spill over, if any, will be at the discretion of our Company in consultation with the BRLM.

12. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees shall be on a proportionate basis. For details, please refer to the section titled "Issue Procedure" beginning on page 208 of this Red Herring Prospectus.

13. Investors may contact the BRLM or our Company for any clarification, complaints or information relating to the Issue, which shall be made available by the BRLM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever.

14. Investors are advised to refer to the section titled "Basis for Issue Price" beginning on page 65 of this Red Herring Prospectus.

15. Trading in Equity Shares for all investors shall be in dematerialized form only.

16. There has been no financing arrangement whereby our Promoter Group, our Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six (6) months immediately preceding the date of filing of this Red Herring Prospectus with SEBI.

SECTION III: INTRODUCTION

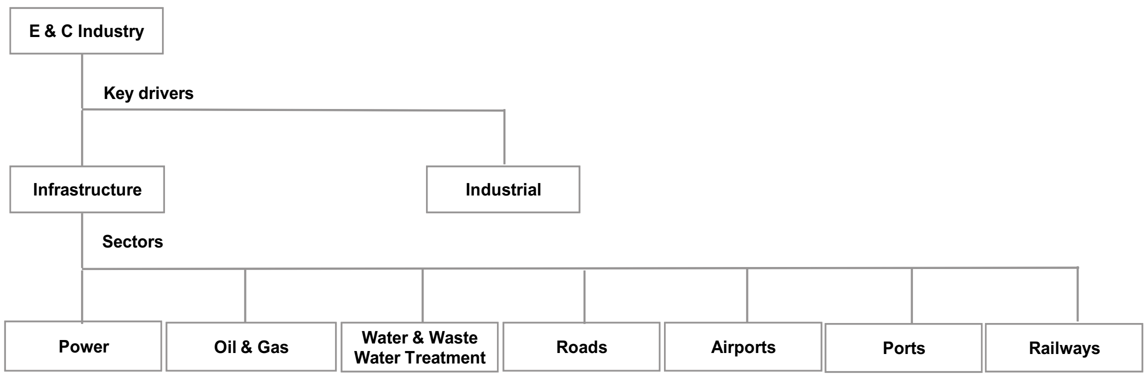
SUMMARY

This is only a summary and does not contain all the information that you should consider before investing the Equity Shares. You should read the entire Red Herring Prospectus including information contained in the section titled "Risk Factors", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Financial Statements" in this Red Herring Prospectus and related notes.

Summary of Industry Overview

Engineering & Construction (E&C) industry

The Engineering & Construction (E&C) industry is a key driver of the country's infrastructural and industrial growth. It operates mainly based on EPC contracts and consists of companies engaged in civil and mechanical engineering projects mainly in, Power, Oil & Gas, Water & Waste Water Treatment, Roads, Airports, Ports and Railways sectors.



Investment in Infrastructure

The fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation and urban and rural water supply and sanitation, all of which already suffer from a substantial deficit from the past in terms of capacities as well as efficiencies in the delivery of critical infrastructure services. The pattern of inclusive growth of the economy projected for the Eleventh Plan, with GDP growth averaging 9% per year can be achieved only if this infrastructure deficit can be overcome and adequate investment takes place to support higher growth and an improved quality of life for both urban and rural communities. *(Source: Eleventh Five Year Plan)*

The Eleventh Five Year Plan ("the Eleventh Plan") outlines a comprehensive programme for development of infrastructure, especially in rural areas, and in the remote and backward parts of the country, consistent with the requirements of inclusive growth at 9% per year. The total investment needed in the infrastructure sector, defined to include electricity (including non-conventional energy), roads, bridges and railways (includes Mass Rapid Transit System, MRTS), ports, airports, telecommunications, irrigation (including watershed development), water supply and sanitation, storage and gas distribution will have to increase from an estimated 5.43% of GDP in 2006–07 to 9.34% by the terminal year of the Eleventh Plan. *(Source: Eleventh Five Year Plan)*

The investment required by the Central and State Governments and the private sector in each of the ten major physical infrastructure sectors for sustaining a growth rate of 9% in GDP over the Eleventh Plan (2007–08 to 2011–12) amounts to Rs.20,56,150 crore**.** This level of investment amounts to an average of 7.6% of GDP during the Eleventh Plan as a whole.

Industrial growth

A notable feature of the growth of the Indian economy from 2002-03 has been the rising trend in the gross domestic capital formation (GDCF). Gross capital formation (GCF), which was 25.2 per cent of the GDP in 2002-03, increased to 39.1 per cent in 2007-08. Much of this increase is attributable to a rise in the rate of investment by the corporate sector. The rise in the rate of investment has been on account of various factors, the most important being the transformation in the investment climate, coupled with an optimistic outlook for the growth prospects for the Indian economy.

Power

According to the 17th Electric Power Survey, India's peak demand will reach approximately 152,746 MW with an energy requirement of 968 bn units by the fiscal year 2012. *(Source: Power Scenario at a glance July, 2009)*

The gross electricity requirement by the end of the Eleventh Plan projected by the Working Group on power is 1038 Billion Unit (BU) and peak demand estimated is 151000 MW, whereas the EC on Integrated Energy Policy has projected the gross electricity requirement of 1097 BU and peak demand of 158000 MW. To fulfill the estimated electricity requirement, the Working Group recommended the capacity addition programme initially of 78530 MW and updated at 78577 MW during the Eleventh Plan.

Nuclear Power

Nuclear power currently accounts for 2.8% of India's generation capacity, with an installed capacity of 4,120 MW as of May 31, 2009. However, given projected exponential growth in energy demand, finite availability of coal, oil, and gas, and the Indo-US nuclear deal, government is beginning once again to promote the development of nuclear energy. Further, in view of atomic energy's environmental advantages and its probable longer term cost efficiency, the government has targeted an approximate 80% increase in nuclear power generation capacity by the end of the 11th plan over current capacity. (*Source: Annual Report NPCIL 2008-09)*

Electrical Distribution

T&D losses in India continue to be among the highest in the world and are the main concern in the development of power sector. The reported all-India average T&D losses increased from 19.8% in 1992–93 to 33.98% at the beginning of the Tenth Plan. There is a wide variation in the losses reported by different States. T&D losses for the country as a whole are estimated to be in the range of 35%–45%. As T&D losses figures did not capture the gap between the billing and the collection, the concept of AT&C loss was introduced in 2001–02 to capture the total performance of the utility. The AT&C losses are presently in the range of 18% to 62% in various States. The average AT&C loss in the country is about 40%. There is wide variation of losses among the States and variation among the distribution companies within the States. The major portion of losses is due to theft and pilferage, which is estimated at about Rs 20000 crore annually as per the Economic Survey 2006–07.More than 75%–80% of the total technical loss and almost the entire commercial loss occur at the distribution stage. *(Source: Eleventh Five Year Plan)*

Rural Electrifications

Rural electrification has been regarded as a vital programme for the development of rural areas. Government of India had launched the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) for electrification of rural areas in the country. *(Source: Annual Report 2008-09, Ministry of Power)*

Ministry of Power recognizes the fact that private investors have important role to play in the power sector growth map of India. The stipulation under section 63 of Electricity Act 2003 has provided impetus to the participation of private sector in Generation and Transmission.

In addition, Automatic approval (RBI route) for 100% foreign equity is permitted in generation, transmission, and distribution and trading in power sector without any upper ceiling on the quantum of investment. Also, an Inter-Institutional Group comprising senior representatives from the financial institutions and the Ministry of Power has been set up for facilitating early financial closure of private power projects. This Group has been focusing closely on projects which could achieve early financial closure. *(Source: Annual report 2008-09, Ministry of Power)*

Oil & Gas

The Eleventh Plan envisages bringing more and more acreage under exploration especially those in the frontier areas/basins, adoption of state-of-the-art Exploration and Production (E&P) technology, faster development of discovered reserves, development of marginal fields, and continuation of Enhanced Oil Recovery /Improved Oil Recovery schemes. These efforts would lead to a projected total crude oil production of 206.76 million tonnes against the actual production of 166.56 million tonnes during the Tenth Plan. Similarly, the projected gas production will be 255.76 bcm against the Tenth Plan production of 159.06 bcm. *(Source: Eleventh Five Year Plan)*

Water & Wastewater Treatment

India with 2.4% of the world's total area has 16% of the world's population; but has only 4% of the total available fresh water. This clearly indicates the need for water resource development, conservation, and optimum use.

The water resource potential of the country has been estimated at 1869 billion cubic metre (bcm) which includes replenishable groundwater which gets charged on annual basis. *(Source: Eleventh Five Year Plan)* Within the limitations of physiographic conditions, socio-political environment, legal and constitutional constraints, and the technology available at hand, the utilizable water resources of the country have been assessed at 1123 bcm, of which 690 bcm is from surface water and 433 bcm from groundwater sources. *(Source: Eleventh Five Year Plan)*

Railways Infrastructure

Indian Railways is often referred to as the lifeline of the Indian economy because of its predominance in transportation of bulk freight and long-distance passenger traffic. As the Indian economy moves into a higher growth trajectory, Indian Railways has also stepped up developmental efforts and is preparing itself for an even bigger role in the future.

The total projected outlay for the Eleventh Plan for the Ministry of Railways is Rs 194263 crore at 2006–07 price (Rs 219717.36 crore at current price) which includes Rs 44263 crore of GBS at 2006–07 price (Rs 50063.36 crore at current price) including Rs 3750 crore at 2006–07 price (Rs 4241.36 crore at current price) of cess accruals. In addition, the sector is expected to generate private sector investment of Rs 20000 crore during this period. *(Source: Eleventh Five Year Plan)*

Summary of Business Overview

Our Company is engaged in the business of providing Engineering Procurement and Construction (EPC) services, executing a wide range of Balance-of-Plant (BoP) and electro-mechanical projects on a complete turnkey basis. We provide our services to domestic and overseas markets across a number of industrial and infrastructure sectors which includes power, oil & gas, water & waste water treatment and other industrial and infrastructure sectors.

OVERVIEW

Our Company, incorporated in the year 1971, has evolved from a piping, valves and pressure vessels fabricator to an EPC company undertaking turnkey packages relating to low pressure piping systems, fuel oil handling systems and fire protection systems and eventually executing comprehensive electromechanical packages involving all engineering disciplines *viz.* mechanical, electrical, control and instrumentation, environmental and civil.

In the initial years, our Company largely targeted individual BoP packages required by customers in steel, metallurgical and power sectors and gradually evolved to undertake comprehensive turnkey projects in liquid waste & effluent treatment, raw & seawater intake systems & pumping stations, rural electrification works comprising transmission mains & distribution lines, rehabilitation and up gradation of city water & sewage treatment plants in the domestic and international market.

We manage our domestic and overseas operations from our Corporate Office at Faridabad, Haryana in the National Capital Region. To execute overseas projects, we have established offices in Ethiopia and Kenya. We are an ISO 9001:2000 accredited company for "Engineering Procurement and Construction of Engineered Systems on Complete Turnkey basis in Core, Energy and Infrastructure Sector Projects".

Our Company provides EPC services for various BoP packages for power, oil & gas and other industrial and infrastructure undertakings. We also provide EPC services to the main plant for water & waste water treatment projects.

OUR STRENGTHS

We believe that the following strengths enable us to compete successfully:

Project execution capabilities

Our Company has been in the EPC business for the last thirty eight (38) years and has developed expertise in our line of operations which are characterized by our ability to minimize overheads, cost control and prevent overruns on project schedules along with strong skills in construction and contract management. This has contributed towards securing multiple orders received from customers like Lanco Infrastructure, BHEL, NPCIL, NTPC, amongst others. We have a track record in designing, manufacturing, procuring, constructing, commissioning, troubleshooting and servicing various systems and equipments. Each site is under the direct supervision of an experienced project manager which ensures effective control and prompt decision making.

Diversified business and capabilities

We believe that we have the requisite expertise and ability to offer our services for a range of BoP and other systems under one roof such as industrial & utility piping, fuel handling, fire detection, alarm & protection, water treatment, liquid waste & effluent treatment, raw / sea water intake, pumping stations and water transmission, plant electricals, switchyard, sub-stations, civil works, tankages, renovation and modernization of coal feeding systems etc. catering to various sectors like thermal (coal / gas) power, nuclear power, oil & gas, water & waste water, electrical distribution & rural electrification, minerals and metals, etc. The same skill set serving diverse systems and sectors, reduces our dependence on any one sector and also provides us the distinct advantage of executing multiple packages for a single project.

Cost competitiveness

We believe our strong in-house EPC and project management team helps us control the entire process. We control costs by eliminating unnecessary product features, procuring equipment and materials in cost efficient manner, optimizing logistics and maximizing labour efficiency.

Pre-qualification credentials

Pre-qualification is a basic requirement in our industry. It is necessary that bidder should have requisite qualification in terms of technical expertise, adequate capital, infrastructure, experienced manpower, value of projects executed in the past etc. Our track record of over thirty eight (38) years with 120 completed and 41 ongoing projects enables us to meet customers' prequalification requirement either independently or in association with joint-venture partners.

As on March 31, 2010, our Company has bid for forty one (41) projects amounting to approximately Rs. 220,000 lakhs. As per the information available to us we are the lowest bidder for five (5) projects amounting to approximately Rs. 40,000 lakhs.

Order Book

The Order Book of our Company as on March 31, 2010 stands at Rs. 53,374 lakhs and the segment wise details of work on hand is set out below:

(Rs. in Lakhs)

No.	Segment	No. of Projects	Project Value (Rs. in Lakhs)	Work on Hand (Rs. in Lakhs)
1.	Conventional Power	19	17,589	7,943
2.	Nuclear Power	4	13,153	5,705
3.	Water & Waste Water Treatment	5	17,067	7,595
4.	Electrical Distribution and Rural Electrification	2	5,366	3,681
5.	Industrial & Infrastructure Sectors	11	33,392	28,450
	Total	**41**	**86,567**	**53,374**

Qualified and experienced team

We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. We have well-qualified employee base with sound managerial experience in each business segment. We are dedicated to the development of the expertise and know-how of our employees and continue to invest in them to ensure that they have the necessary training required to be successful in today's challenging environment.

Our management team is led by our Chairman & Managing Director, Mr. Avinash C. Gupta supported by the two Directors, Mr. Arjun Gupta and Mr. Nakul Gupta and our operations are being managed by well qualified project teams headed by experienced project managers. Many of our Key Managerial Personnel have been with our Company for several years and our attrition rate is low. As on March 31, 2010, we had 222 employees working in our Company of which 161 are managerial and technical and 61 are commercial and non technical employees.

Established Marketing Set-up

Our Company's strong marketing strengths evolve from a multi-pronged strategy. Multiple / repeat orders from existing customers and a thorough scanning of all opportunities particularly projects financed by multilateral financing agencies are the key to our marketing approach. In Electrical Distribution and Rural Electrification which we have recently entered into, we have dedicated personnel for development of this business segment to identify and pursue opportunities including tie ups for technology and pre-qualification. This has enabled us to create a strong Order Book which is well diversified sectorially and geographically.

BUSINESS STRATEGY

Our strategy is to continue to drive profitable growth by pursuing good prospects so that we can be cost competitive and obtain reasonable profit margins with an acceptable level of contractual risk. In order to achieve our aim, we intend to follow the key business strategies described below:

Continue to expand and enhance our operations in our existing business segments

- ***Power sector and other growth sectors***

We seek to further enhance our penetration in areas like power, nuclear power, oil & gas, water & waste water, electrical distribution & rural electrification sectors which are high growth areas. We intend to bid for turnkey contracts of larger value projects, deploy our resources more efficiently and improve operating margins. For certain large value projects, we also plan to enter into alliances with other experienced and qualified players in this industry.

We intend to further target specific businesses and industries where we believe there is high potential for growth and where we enjoy competitive advantage. We anticipate large investments in power sector especially in nuclear power where we have recently forayed into and foresee more opportunities.

- ***Water, Wastewater and Effluent Treatment and Recycling Systems***

In the water & waste water sector, the Ministry of Urban Development has set up a mission under the name Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for development of infrastructure services in cities. The main thrust of the mission is on infrastructure projects relating to water supply and sanitation, sewerage, solid waste management etc. We intend to focus on newer opportunities arising from JNNURM besides pursuing traditional opportunities in the power and industrial sectors.

To strengthen our credentials and capabilities for providing integrated services in the water sector particularly in specialized water & waste water treatment, we are exploring suitable tie ups for process technology and qualifications. We have entered into a MoU with an overseas company to jointly bid for reverse osmosis based sea water and brackish water desalination projects in India. We intend to become a single source supplier in the sphere of water and waste water treatment and recycling systems and are exploring for suitable tie-ups with other companies.

- ***Electrical Distribution and Rural Electrification Projects***

We intend to pursue projects in electrical distribution and rural electrification projects. Our Company has recently forayed into the electrical distribution / rural electrification sector to tap the opportunities available due to various rural electrification programs of the Government for which we have dedicated and experienced personnel in the business development / proposals and engineering departments to target rural electrification as well as industrial electrification projects. We have bagged two orders, one for rural electrification work under RGGVY scheme in West Bengal worth approx. Rs. 3,770 lakhs and the other for 132 KV grid substation along with 132KV/11KV power distribution substation & LT power Distribution Projects in Wonji Shoa Sugar Factory in Ethiopia. Considering the investments in this sector, our Company will continue to pursue similar opportunities in India and other developing nations in Africa and neighboring countries like Bangladesh, Nepal and Sri Lanka.

Further, to enable us to expand our activities in the electrical works segment, we have recently acquired RIDPL. RIDPL has become our wholly owned subsidiary pursuant to acquisition of Equity Shares. RIDPL is in the business of electrical works including lighting and erection of sub-stations on contractual basis. The experience and pre-qualification credentials of RIDPL would help us in securing orders for electrical distribution and rural electrification projects.

- ***Civil Projects***

Leveraging our skill sets developed while executing the civil portion of electro-mechanical projects, we bid for projects which involves entirely civil works. Our Company has recently secured a contract for a road project worth Rs. 10,332 lakhs. Apart from the road project, our Company is also executing projects in nuclear power sector which involves substantial civil construction. We intend to pursue civil projects in various sectors.

- ***Tank Farms / POL Depots***

Leveraging on our experience in executing tankages and fuel oil handling systems in the power sector, we intend to explore opportunities for taking up projects of larger tankages for hydrocarbon and other sectors which are attracting major investments in all areas *viz.* upstream, refining, transportation and storages including POL depots & government initiated strategic storages, downstream & allied sectors like petrochemicals and fertilizers. We are exploring suitable strategy to enter into the segment of large floating roof & fixed roof crude, product storage tanks, double walled tanks, cryogenic storage tanks as well as process tanks used in the hydrometallurgical sector particularly in alumina and zinc industries.

To expand our presence by entering into Mechanical Electrical Plumbing (MEP) Works

We believe MEP business covering Heating Ventilation & Air Conditioning (HVAC) systems, plumbing, firefighting, mechanical & electric systems, Building Management Systems (BMS), automation and security is a good business opportunity. With a view to focus on this business, we have entered into an agreement with an overseas company to promote MEP business on an integrated basis in India and Africa (excluding North Africa).

To execute larger size of projects and comprehensive BOP Packages on a single source responsibility EPC basis

We are gradually moving up the value chain by targeting larger size assignments either independently or through joint ventures or MOUs. Having developed significant in-house expertise in important and major BoP packages such as fire protection systems, utility piping systems for compressed air, DM water, clarified water, ash water, auxiliary cooling water, condenser cooling water, fuel oil handling systems, raw / sea water intake works, and effluent treatment systems, we believe that we are well equipped to offer our services for the entire "Balance of Plant" covering all utilities and offsite packages of a typical power plant other than coal and ash handling systems.

Till Fiscal year 2006 the average job value was less than Rs. 1,000 lakhs with the largest single order being below Rs. 2,500 lakhs. This has increased to an average job value of approximately Rs. 2,000 lakhs by Fiscal Year 2010 with several jobs in the Rs. 4,000 – Rs. 6,000 lakhs range as against none of this size earlier.

Based on the experience gathered, we have provided complete back-up support for several 150 & 300 MW Open Cycle and 100 & 330 MW combined cycle gas based power plants coming up in the Rajasthan, North East and Bangladesh. The support provided includes complete back-up bid for all BoP systems on a total turnkey EPC basis covering fuel oil handling, piping & pumping, cooling tower, plant water system, plant electrification, switchyard, sub-station, auxiliary transformers, fuel gas systems, fire protection systems, complete civil and plant erection works.

We continue to focus on securing larger value jobs and to pursue similar BoP opportunities on a complete turnkey EPC basis for Conventional Coal and Gas based mid size power plants in India and Overseas.

Focus on International opportunities

In pursuing our strategies, we seek to identify additional markets wherein we believe we can provide cost and operational advantages to our clients and distinguish ourselves from other competitors. We believe that there are substantial opportunities in Asia Pacific, West and South East Asia and Africa. Our focus is on infrastructure and urban development projects particularly the water and waste water sector. The projects we aim at are likely to be subject of developmental finance say from multilateral development banks/agencies. To further exploit the potential for growth in international markets we have setup our offices in Ethiopia, Kenya and Fiji. A competitive cost of equipment as well as human resources in India gives us an additional advantage to compete with international companies.

Our Company is currently executing overseas projects in Ethiopia, Kenya and Fiji. In recent years our Company has received several international orders. Business secured overseas is usually of larger size. Foreign orders secured in the last few years have had an average value of approximately Rs. 4,900 lakhs.

Leverage our skills in Railway / Transport Infrastructure sector

Keeping in line with our business diversification efforts in executing projects in different sectors, our Company has recently set up a strategic business unit that will focus on seeking business opportunities in railways related construction activity, specifically, civil engineering & construction including track laying, signaling and electrification works, setting up of new workshops and production units, modernization of existing ones, setting up of cold chain cargo centers, etc. Initially, we intend to foray in this line of business by way of suitable tie-ups with established players in the niche areas and simultaneously developing in-house capabilities.

WEAKNESSES AND THREATS

Pre Qualification

Pre qualification requirements, both technical and financial, are determined by the customer and vary from customer to customer. In certain cases there are very stringent requirements for qualifications, as a result of which, we may not able to qualify. In such cases either we appropriately tie up with suitable partners to ensure meeting the pre qualification requirement, if permitted by the customer, or refrain from bidding.

Inadequate in-house domain expertise in newer areas

Diversification into newer areas can be hampered by inadequate expertise in the concerned domain. Our Company is dependent on external consultants for such domain expertise.

Difficulties in recruitment of appropriate manpower

Being a mid size organisation in the EPC space, recruitment of the desired manpower is a challenge considering the fact that larger and reputed players in this segment are in a better position to attract the talent available in the market.

THE ISSUE

A. Issue	29,90,000 Equity Shares
B. Reservation for Eligible Employees [1]	50,000 Equity Shares (Reserved for eligible employees on a competitive basis)
C. Net Issue to the Public	29,40,000 Equity Shares
D. QIB Portion [2] Out of which: Mutual Fund Portion Balance for all QIBs including Mutual Funds	Upto 14,70,000 Equity Shares 73,500 Equity Shares 13,96,500 Equity Shares
E. Non-Institutional Portion [3]	Not less than 4,41,000 Equity Shares available for allocation.
F. Retail Portion [3]	Not less than 10,29,000 Equity Shares available for allocation.
Equity Shares outstanding prior to the Issue	75,00,000 Equity Shares of Rs. 10 each.
Equity Shares outstanding after the Issue	1,04,90,000 Equity Shares
Objects of the Issue	Please refer to the section titled "Objects of the Issue" beginning on page 52 of this Red Herring Prospectus.

(1) *Discount of Rs. [●] to the Issue Price determined pursuant to completion of the Book Building Process has been offered to Eligible Employees (the "Employee Discount").*

(2) *Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees shall be on a proportionate basis. For details, please refer to the section titled "Issue Procedure" beginning on page 208 of this Red Herring Prospectus.*

(3) *Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such inter-se spill over, if any, will be at the discretion of our Company in consultation with the BRLM.*

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the restated consolidated and standalone financial statements of our Company for the year ended March 31, 2010 and for the year ended March 31, 2010, 2009, 2008, 2007 & 2006 respectively and prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations. The restated summary financial information presented below should be read in conjunction with the restated financial information included in this Draft Red Herring Prospectus, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 174 of this Red Herring Prospectus.

RESTATED CONSOLIDATED FINANCIAL INFORMATION

Summary of Restated Assets & Liabilities

Rs. in lakhs

Particulars	**As at**
	March 31, 2010
A. Fixed Assets	
Gross Block	903.15
Less: Accumulated Depreciation	350.80
Net block	**552.36**
B. Investments	**30.00**
C. Deferred Tax Asset	**0.00**
D. Current Assets, Loans and Advances	
Sundry debtors	5749.62
Cash & Bank Balances	1106.74
Inventories	362.69
Loans & Advances	4196.55
Total (D)	**11415.60**
E. Liabilities & Provisions	
Current Liabilities & Provisions	5021.94
Secured Loan	1517.35
Unsecured Loan	423.48
Total (E)	**6962.77**
F. Deferred Tax Liability	**17.51**
G. Net Worth (A+B+C+D-E-F)	**5017.67**
Net Worth represented by:	
H. Equity Share Capital	**750.00**
I. Reserves and Surplus	
Share Premium	600.00
Capital Reserve	4.99
Profit and Loss Account	1350.43
General Reserve	2312.25
Total (I)	**4267.67**
J. Net Worth (H+I)	**5017.67**

Summary of Restated Profit & Loss Account

Rs. in lakhs

Particulars	For the year ended March 31, 2010
A. Income	
Turnover	20148.82
Other Income	13.02
Total-(A)	**20161.84**
B. Expenditure	
Expenditure on contracts	15477.70
Employee Remuneration & benefits	613.35
Administration & Other Expenses	682.81
Interest & Finance Charges	316.85
Depreciation	136.31
Total-(B)	**17227.00**
C. Profit before taxation (A-B)	**2934.84**
Less: Provision for taxation	
-Current	1003.20
-Deferred	14.89
-Fringe benefit tax	0.00
-Wealth Tax	0.90
Profit After Taxation as per audited statement of accounts (C)	**1915.85**
- Residual Tax adjustments	0.00
D. Net Profit After Taxation as per audited statement of accounts	**1915.85**
ADJUSTMENTS	
Impact of material adjustment for restatement in corresponding years	0.00
Adjusted Net Profit	**1915.85**
Surplus/(Deficit) brought forward from the Previous year	1065.77
E. Profit available for appropriation	**2981.62**
Transfer to General Reserve	1500.00
Proposed equity dividend (Interim/Final)	112.50
Tax on dividend	18.68
F. Adjusted Available Surplus/(Deficit) carried forward	**1350.44**

RESTATED STANDALONE FINANCIAL INFORMATION
Summary of Restated Assets & Liabilities

Rs. in lakhs

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
A. Fixed Assets					
Gross Block	897.90	632.93	344.45	296.42	297.69
Less: Accumulated Depreciation	349.78	217.00	133.36	198.11	193.88
Net block	**548.12**	**415.93**	**211.09**	**98.31**	**103.81**
B. Investments	**35.01**	**20.00**	**70.00**	**1.62**	**1.62**
C. Deferred Tax Asset	**0.00**	**0.00**	**5.66**	**21.49**	**11.90**
D. Current Assets, Loans and Advances					
Sundry debtors	5635.57	3189.35	2759.88	2637.62	2868.98
Cash & Bank Balances	1102.03	2410.57	631.83	147.56	203.82
Inventories	345.02	450.33	430.08	379.18	339.03
Loans & Advances	4122.63	3224.71	1533.74	1106.24	1011.82
Total (D)	**11205.25**	**9274.96**	**5355.53**	**4270.60**	**4423.65**
E. Liabilities & Provisions					
Current Liabilities & Provisions	4832.32	4867.19	3086.26	1533.48	936.19
Secured Loan	1517.35	1183.33	421.49	1048.23	2018.11
Unsecured Loan	423.48	437.85	0.00	409.82	262.09
Total (E)	**6773.15**	**6488.37**	**3507.75**	**2991.53**	**3216.39**
F. Deferred Tax Liability	**17.51**	**2.63**	**0.00**	**0.00**	**0.00**
G. Net Worth (A+B+C+D-E-F)	**4997.71**	**3219.89**	**2134.53**	**1400.49**	**1324.59**
Net Worth represented by:					
H. Equity Share Capital	**750.00**	**750.00**	**750.00**	**700.00**	**700.00**
I. Reserves and Surplus					
Share Premium	600.00	600.00	600.00	400.00	400.00
Profit and Loss Account	1335.46	1057.64	472.28	187.54	111.64
General Reserve	2312.25	812.25	312.25	112.95	112.95
Total (I)	**4247.71**	**2469.89**	**1384.53**	**700.49**	**624.59**
J. Net Worth (H+I)	**4997.71**	**3219.89**	**2134.53**	**1400.49**	**1324.59**

Summary of Restated Profit & Loss Account

Rs. in lakhs

Particulars	For the year ended				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
A. Income					
Turnover	20037.02	14930.57	8099.46	6135.94	5391.06
Other Income	11.19	26.10	63.59	25.09	8.99
Total-(A)	**20048.21**	**14956.67**	**8163.05**	**6161.03**	**5400.05**
B. Expenditure					
Expenditure on contracts	15403.25	11772.29	6649.75	5580.55	4849.79
Employee Remuneration & benefits	591.91	413.40	180.55	85.71	80.16
Administration & Other Expenses	676.33	585.55	357.83	183.05	195.65
Interest & Finance Charges	316.63	282.28	147.96	158.99	207.13
Depreciation	135.29	101.87	25.99	32.74	12.49
Total-(B)	**17123.41**	**13155.39**	**7362.08**	**6041.04**	**5345.22**
C. Profit before taxation (A-B)	**2924.80**	**1801.28**	**800.97**	**119.99**	**54.83**
Less: Provision for taxation					
-Current	1000.00	610.00	250.00	60.00	4.40
-Deferred	14.89	8.28	16.18	(21.49)	0.00
-Fringe benefit tax	0.00	9.50	6.30	2.70	2.53
-Wealth Tax	0.90	0.39	0.10	0.00	0.00
Profit After Taxation as per audited statement of accounts (C)	**1909.02**	**1173.11**	**528.39**	**78.78**	**47.90**
- Residual Tax adjustments	0.00	4.42	(2.32)	0.14	0.00
D. Net Profit After Taxation as per audited statement of accounts	**1909.02**	**1168.69**	**530.71**	**78.64**	**47.90**
ADJUSTMENTS Impact of material adjustment for restatement in corresponding years (See Schedule IA)	0.00	4.42	(2.10)	(2.74)	2.77
Adjusted Net Profit	**1909.02**	**1173.11**	**528.61**	**75.90**	**50.67**
Surplus/(Deficit) brought forward from the Previous year	1057.64	472.28	187.54	111.64	60.97
E. Profit available for appropriation	**2966.65**	**1645.39**	**716.15**	**187.54**	**111.64**
Transfer to General Reserve	1500.00	500.00	200.00	0.00	0.00
Proposed equity dividend (Interim/Final)	112.50	75.00	37.50	0.00	0.00
Tax on dividend	18.68	12.75	6.37	0.00	0.00
F. Adjusted Available Surplus/(Deficit) carried forward	**1335.46**	**1057.64**	**472.28**	**187.54**	**111.64**

GENERAL INFORMATION

Our Company was incorporated on July 20, 1971 in New Delhi as Technofab Engineering Private Limited under the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company became a deemed public limited company in terms of Section 43A (1A) of the Companies Act, 1956 on January 4, 1989. Our Company became a public limited company pursuant to the enactment of the Companies (Amendment) Act, 2000 and a special resolution passed by our Company on June 24, 2002. The RoC accordingly altered the Certificate of Incorporation to that effect on May 7, 2003.

Registered and Corporate Office of our Company

Registered Office
507, Eros Apartments,
56, Nehru Place,
New Delhi 110 019, India
Telephone**:** +91 11 2641 1931
Facsimile**:** +91 11 2622 1521

Corporate Office
Plot 5, Sector 27-C,
Mathura Road,
Faridabad 121 003, Haryana.
Telephone**:** + 91 129 227 0202
Facsimile**:** +91 129 227 0201

Website: www.technofabengineering.com
E-mail: ipo@technofabengineering.com
Corporate Identity Number: U74210DL1971PLC005712

For details in changes in our registered office, please refer to the section titled "History and Certain Corporate Matters" beginning on page 106 of this Red Herring Prospectus.

Address of the Registrar of Companies

Our Company is registered at the Registrar of Companies, N.C.T. of Delhi and Haryana, located at 5th Floor, IFCI Tower, Nehru Place, New Delhi 110 019, India.

Board of Directors

Our Company's Board comprises of the following Directors:

Name, Designation and DIN	**Status of the Director**	**Age**
Mr. Avinash C. Gupta Chairman and Managing Director DIN: 00012077	Executive Director	69 years
Mr. Arjun Gupta Whole Time Director DIN: 00012092	Executive Director	39 years
Mr. Nakul Gupta Whole Time Director DIN: 00012106	Executive Director	38 years
Dr. Nitish Kumar Sengupta Director DIN: 00094845	Independent & Non Executive Director	75 years
Mr. Pawan Chopra Director DIN:00417967	Independent & Non Executive Director	65 years
Mr. V.S. Mathur	Independent & Non Executive Director	64 years

Name, Designation and DIN	Status of the Director	Age
Director DIN: 01382982		
Mr. Arun Mitter Director DIN: 00022941	Independent & Non Executive Director	47 years

For further details of our Directors, please refer to the section titled "Our Management" beginning on page 111 of this Red Herring Prospectus.

Company Secretary and Compliance Officer
Mr. Paresh Kumar Singh
Technofab Engineering Limited,
Plot 5, Sector 27-C,
Mathura Road,
Faridabad 121 003, Haryana.
Telephone**:** + 91 129 227 0202
Facsimile**:** +91 129 227 0201
Email: ipo@technofabengineering.com

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

Book Running Lead Manager
Collins Stewart Inga Private Limited
A-404, Neelam Centre,
Hind Cycle Road, Worli
Mumbai 400 030, India
Telephone: +91 22 2498 2919
Facsimile: +91 22 2498 2956
Email: technofab.ipo@csinga.com
Contact Person: Ms. Shruti Vishwanath
Website: www.csinga.com

Registrar to the Issue
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078, India.
Telephone: +91 22 2596 0320
Facsimile: +91 22 2594 0329
Email: tel.ipo@linkintime.co.in
Contact Person: Mr. Sachin Achar
Website: www.linkintime.co.in

Legal Counsel to the Issue
Rajani Associates
Advocates & Solicitors
204-207, Krishna Chambers
59, New Marine Lines
Mumbai 400 020, India
Tel: +91 22 4096 1000
Fax: +91 22 4096 1010
Email: info@rajaniassociates.net

Statutory Auditors
M/s. Rajesh Suresh Jain & Associates
E-3/38, IInd Floor
Sector 7, Rohini
Delhi 110 085, India
Tel: +91 11 6581 9990
Fax: +91 11 2581 1350
Email: rajesh.rsja@gmail.com
Contact Person: Mr. Rajesh Jain

Syndicate Members

ITI Financial Services Limited
'Mashkur', 1, Krishnama Road
Nungabakkam
Chennai 600 034, India
Email:
g.krishnamurthy@itifsl.co.in
Website: www.itifsl.co.in
Tel: +91 44 3919 6500
Fax: +91 44 2827 2072
Contact Person: Mr. G Krishnamurthy

Intime Spectrum Securities Limited
6th Floor, Sharyans Center, 3-Gurnanak Road, Opp. Bandra Station, Bandra (West)
Mumbai 400 050, India
Email:sudhirg@intimesec.com
Tel: +91 22 2640 2788
Fax: +91 22 2640 2685
Contact Person: Mr. Sudhir Gaikwad

SMC Global Securities Limited
11/6B, Shanti Chamber
Pusa Road, New Delhi 110 005, India
Email: rakesh@smccapitals.com
Website:
www.smcindiaonline.com
Tel: +91 11 3011 1000
Fax:+91 11 2575 4365
Contact Person: Mr. Rakesh Gupta

Bankers to the Issue and Escrow Collection Banks
Bankers to the Issue

Axis Bank Limited
E Wing, 3rd Maker Tower
Cuffe Parde
Mumbai 400 005
Telephone: +91 22 6707 1657
Facsimile: +91 22 2215 5157
Email: prashant.fernandes@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Prashant Fernandes

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg,
Mumbai – 400 001
Telephone: +91 22 6631 0312
Facsimile:+91 22 2261 1138
Email: viral.bharani@icicibank.com
Website : www.icicibank.com
Contact Person: Mr. Viral Bharani

Refund Bank
Axis Bank Limited
E Wing, 3rd Maker Tower
Cuffe Parde
Mumbai 400 005
Telephone: +91 22 6707 1657
Facsimile: +91 22 2215 5157
Email: prashant.fernandes@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Prashant Fernandes

Self Certified Syndicate Banks

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

Bankers to our Company

Bank of India
37,Shaheed Bhagat Singh Marg,
Near Shivaji Stadium,
New Delhi 110 001, India.
Telephone: +91 11 2336 5621
Facsimile:+91 11 2334 5603
Email: corporatebanking.newdelhi@bankofindia.co.in
Contact Person: Mr. R.N. Lal/ Mrs. Parvathi Sundaram

Axis Bank Limited
2nd Floor, Statesman House,
Barakhamba Road,
New Delhi 110 001, India.
Telephone: +91 11 4368 2411
Facsimile:+91 11 4368 2447
Email: vishal.mehra@axisbank.com
Contact Person: Mr. Vishal Mehra

ICICI Bank Limited
Videocon Tower
E-1, Jhandewalan Extension
New Delhi 110 055, India.
Telephone: +91 11 4249 9810
Facsimile:+91 11 4249 9489
Email: gauri.gupta@icicibank.com
Contact Person: Ms. Gauri Gupta/ Ms. Smirti Verma

State Bank of Mysore
22, K G Marg, Antriksh Bhawan
Cannaught Place
New Delhi 110 001, India.
Telephone: +91 11 2373 0990
Facsimile:+91 11 2372 1636
Email: connaughtplace@sbm.co.in
Contact Person: Mr. Nagesh V.N./ Mrs. L.T.Ambujakshi

Statement of inter se allocation of Responsibilities for the Issue

Collins Stewart Inga Private Limited is the sole Book Running Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

Monitoring Agency

In terms of Regulation 16(1) of the ICDR Regulations, we are not required to appoint a monitoring agency for the purposes of this Issue. As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by our Board of Directors will monitor the utilization of the Issue proceeds. We will disclose the utilization of the proceeds of the Issue, including interim use, under a separate head in our quarterly financial disclosures and annual audited financial statements until the Issue proceeds remain unutilized, to the extent required under the applicable law and regulation.

IPO Grading Agency

Fitch Ratings India Private Limited

We have appointed above-mentioned IPO Grading Agency for grading of proposed Initial Public Offering of our Company. This IPO Grading Agency has assigned 3 (ind) Grade to the Initial Public Offering of our Company. The grade indicates average fundamentals of the issue. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. For details in relation to the Report of the Grading Agency, please see Annexure on page 264. Attention is drawn to the disclaimer appearing on page 201.

Credit Rating

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

Trustees

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

Book Building Process

Book Building refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus. The Issue Price is determined by our Company, in consultation with the BRLM, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;

2. The Book Running Lead Manager in this issue being Collins Stewart Inga Private Limited;

3. The Syndicate Members who are intermediaries registered with SEBI and registered as brokers with BSE and /or NSE and eligible to act as underwriters. Syndicate Members are appointed by the BRLM;

4. The Registrar to the Issue;

5. Escrow Collection Bank(s); and

6. SCSBs.

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

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay the Bid Amount upon submission of their Bid and allocation to QIBs will be on a proportionate basis. For further details, please refer to the section titled "Terms of the Issue" beginning on page 205 of this Red Herring Prospectus.

Our Company will comply with the SEBI (ICDR) Regulations for this Issue. In this regard, our Company has appointed the BRLM to procure subscriptions to the Issue.

The process of Book Building under the SEBI (ICDR) Regulations is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid. Please refer to the section titled "Issue Procedure" beginning on page 208 of this Red Herring Prospectus;

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form and the ASBA Bid cum Application Form;

- Ensure that the Bid-cum-Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form and the ASBA Bid cum Application Form;

- Ensure that in all cases, the PAN is quoted in the Bid-cum-Application Form. For details, please refer to the section titled "Issue Procedure" beginning on page 208 of this Red Herring Prospectus;

- Ensure the correctness of your demographic details (as defined in the "Issue Procedure" beginning on page 208 given in the Bid cum Application Form and the ASBA Bid cum Application Form, with the details recorded with your Depository Participant;

- Bids by QIBs will have to be submitted only to the BRLM, other than bids by QIBs who bid though ASBA process, who shall submit the bids to the Designated Branch of the SCSBs; and

- Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Illustration of Book Building and the Price Discovery Process

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

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs.20 to Rs.24 per equity share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the Bidding/Issue Period. The illustrative book as shown below indicates the demand for the equity shares of our Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative equity shares Bid for	Subscription (%)
500	24	500	16.67
1,000	23	1,500	50.00
1,500	22	3,000	100.00
2,000	21	5,000	166.67
2,500	20	7,500	250.00

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

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment, without assigning any reason thereof. In such an event, a public notice would be issued in the newspapers, in which the pre-issue advertisements were published, within two (2) days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final RoC acknowledgement of the Prospectus after it is filed with the RoC and (ii) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight (8) days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight (8) days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI (ICDR) Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Bid/Issue Program

BID/ISSUE OPENS ON	**TUESDAY, JUNE 29, 2010**
BID/ISSUE CLOSES ON	**FRIDAY JULY 02, 2010**

Bids and any revision in Bids shall be accepted only between **10.00 a.m. and 5.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form, or in case of Bids submitted through ASBA, the designated branches of the SCSBs. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) 5.00 p.m. or such extended time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and the NSE.

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

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the bidders are advised to submit their Bids one (1) day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times mentioned in the Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in pubic offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM, Syndicate Members and the SCSB will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

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

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

In case of revision of the Price Band, the Issue Period will be extended for three (3) additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the website of the BRLM and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and sold in the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

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

Name and Address of the Underwriters	**Indicative Number of Equity Shares to be Underwritten**	**Indicative Amount Underwritten (Rs. in Lakhs)**
[●]	[●]	[●]

The amounts mentioned above are indicative and this would be finalised after determination of Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [●] and has been approved by our Board.

In the opinion of our Board (based on a certificate given to them by BRLM and the Syndicate Members), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges.

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

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

CAPITAL STRUCTURE

Our Company's share capital, as of the date of this Red Herring Prospectus is set out below:

No.	Particulars	Aggregate Value at Nominal Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A.	**Authorised Share Capital**		
	1,50,00,000 Equity Shares of Rs. 10 each	15,00,00,000	
B.	**Issued, Subscribed and Paid-Up Capital before the Issue**		
	75,00,000 Equity Shares of Rs. 10 each	7,50,00,000	
C.	**Present Issue of 29,90,000 Equity Shares in terms of this Red Herring Prospectus out of which**		
	50,000 Equity Shares of Rs. 10 each are reserved for Eligible Employees	5,00,000	[●]
	29,40,000 Equity Shares of Rs. 10 each is the Net Issue to the Public	2,94,00,000	[●]
D.	**Issued, Subscribed and Paid-up Capital after the Issue**	10,49,00,000	[●]
	1,04,90,000 Equity Shares of Rs. 10 each		
E.	**Share Premium Account**		
	Before the Issue	6,00,00,000	
	After the Issue*	[●]	

**The share premium account shall be determined after the Book Building Process.*

Details of changes in authorised share capital

No.	Date of Shareholders approval	Details of change
1.	On Incorporation	Incorporated with an Authorised Share Capital of Rs.1,00,000 comprising of 1,000 Equity Shares of Rs. 100 each.
2.	February 27, 1976	Increase in Authorised Share Capital from Rs.1,00,000 comprising of 1,000 Equity Shares of Rs. 100 each to Rs.5,00,000 comprising of 5,000 Equity Shares of Rs. 100 each.
3.	April 20, 1980	Increase in Authorised Share Capital from Rs.5,00,000 comprising of 5,000 Equity Shares of Rs. 100 each to Rs.25,00,000 comprising of 25,000 Equity Shares of Rs.100 each.
4.	February 11, 1986	Increase in Authorised Share Capital from Rs.25,00,000 comprising of 25,000 Equity Shares of Rs.100 each to Rs.1,00,00,000 comprising of 1,00,000 Equity Shares of Rs.100 each.
5.	January 7, 1992	Increase in Authorised Share Capital from Rs.1,00,00,000 comprising of 1,00,000 Equity Shares of Rs.100 each to Rs. 3,00,00,000 comprising of 3,00,000 Equity Shares of Rs.100 each.
6.	October 28, 1999	Increase in Authorised Share Capital from Rs.3,00,00,000 comprising of 3,00,000 Equity Shares of Rs.100 each to Rs.10,00,00,000 comprising of 10,00,000 Equity Shares of Rs. 100 each.
By way of a resolution passed at the Shareholders Meeting held on March 25, 2002 the face value of the Equity Shares was sub-divided from Rs.100 each to Rs. 10 each		
7.	March 25, 2002	Pursuant to the sub-division of the face value of Equity Shares from Rs.100 each to Rs.10 each, the Authorised Share Capital was altered to Rs.10,00,00,000 comprising of 1,00,00,000 Equity Shares of Rs.10 each.
8.	July 8, 2009	Increase in Authorised Share Capital from Rs.10,00,00,000 comprising of 1,00,00,000 Equity Shares of Rs.10 each to Rs.15,00,00,000 comprising of 1,50,00,000 Equity Shares of Rs.10 each.

Notes to the Capital Structure

1. **Share Capital History of our Company***

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

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (Rs.)	Cumulative Share Premium (Rs.)
July 20, 1971	15	100	100	Cash	Subscription to the MOA	15	1,500	Nil
January 28, 1972	600	100	100	Cash	Allotment to Promoters and others	615	61,500	Nil
March 29, 1976	1,000	100	100	Cash	Allotment to Promoters, certain Promoter Group entities and others	1,615	1,61,500	Nil
March 30, 1977	405	100	100	Cash	Allotment to Promoters, certain Promoter Group entities and others	2,020	2,02,000	Nil
November 18, 1977	730	100	100	Cash	Allotment to Promoters, certain Promoter Group entities and others	2,750	2,75,000	Nil
March 19, 1979	750	100	100	Cash	Allotment to Promoters, certain Promoter Group entities and others	3,500	3,50,000	Nil
June 19, 1980	1,500	100	100	Cash	Allotment to Promoters, certain Promoter Group entities and others	5,000	5,00,000	Nil
December 17, 1982	2,500	100	100	Cash	Allotment to Promoter, certain Promoter Group entities and others	7,500	7,50,000	Nil
February 18, 1986	2,500	100	100	Cash	Allotment to Promoters, certain Promoter Group entities and others	10,000	10,00,000	Nil
June 26, 1986	10,000	100	N.A.	Bonus**	Bonus Issue (1:1)	20,000	20,00,000	Nil
July 4, 1987	4,990	100	100	Cash	Allotment to Promoters and others	24,990	24,99,000	Nil
March 31, 1990	5,010	100	100	Cash	Allotment to Promoters, certain Promoter Group entities and others	30,000	30,00,000	Nil
March 29, 1991	30,000	100	N.A.	Bonus**	Bonus Issue (1:1)	60,000	60,00,000	Nil
March 1, 1993	40,000	100	N.A.	Bonus**	Bonus Issue (2:3)	1,00,000	1,00,00,000	Nil
February 4, 1997	2,00,000	100	N.A.	Bonus**	Bonus Issue (2:1)	3,00,000	3,00,00,000	Nil
November 6, 1999	3,00,000	100	100	Cash	Allotment to Promoters and certain Promoter Group entities	6,00,000	6,00,00,000	Nil
By way of a resolution passed at the Shareholders Meeting held on March 25, 2002 the face value of the Equity Shares was sub-divided from Rs.100 each to Rs. 10 each								
March 5, 2004	10,00,000	10	50	Cash	Allotment to Promoters and others	70,00,000	7,00,00,000	4,00,00,000
November 22, 2007	5,00,000	10	50	Cash	Allotment to Others	75,00,000	7,50,00,000	6,00,00,000

** As we have been in existence since the year 1971, certain secretarial records are not available. We have relied on other available data of our Company.*

*** The bonus issue was made out of free reserves.*

2. **Shares issued for consideration other than cash**

Other than the bonus issue made by us to the then existing shareholders, details of which are set out in the table below, we have made no issues of shares for consideration other than cash. Further our Company has not accrued any benefits from the issue.

Date of Allotment	No. of Equity Shares*	Nature of Allotment
June 26, 1986	10,000	Bonus Issue (1:1)
March 29, 1991	30,000	Bonus Issue (1:1)
March 1, 1993	40,000	Bonus Issue (2:3)
February 4, 1997	2,00,000	Bonus Issue (2:1)

** The face value of Equity Shares was Rs. 100. By way of a resolution passed at the Shareholders Meeting held on March 25, 2002 the face value of the Equity Shares was sub-divided from Rs.100 each to Rs. 10 each*

3. **Promoter Capital Build -up**

Date of Allotment/ Acquisition	Conside-ration	Number of Equity Shares	Face Value (Rs.)	Transaction Price (Rs.)	Nature of Transaction	% of pre-issue share capital	% of post-issue share capital	% of Pledged Shares
Mr. Avinash C. Gupta								
July 20, 1971	Cash	5	100	100	Subscription to the MoA	Negligible	Negligible	None of the Equity Shares have been pledged as on the date of this Red Herring Prospectus.
January 28, 1972	Cash	200	100	100	Allotment	0.03	0.02	
March 26, 1975	Cash	100	100	100	Purchase	0.01	0.01	
March 29, 1976	Cash	400	100	100	Allotment	0.05	0.04	
March 30, 1977	Cash	5	100	100	Allotment	Negligible	Negligible	
November 18, 1977	Cash	40	100	100	Allotment	0.01	Negligible	
March 19, 1979	Cash	350	100	100	Allotment	0.05	0.03	
June 19, 1980	Cash	450	100	100	Allotment	0.06	0.04	
December 17, 1982	Cash	750	100	100	Allotment	0.10	0.07	
February 18, 1986	Cash	1,100	100	100	Allotment	0.15	0.10	
June 26, 1986	N.A.	3,400	100	N.A.	Bonus	0.45	0.32	
July 4, 1987	Cash	2,495	100	100	Allotment	0.33	0.24	
March 31, 1990	Cash	105	100	100	Allotment	0.01	0.01	
March 29, 1991	N.A.	9,400	100	N.A.	Bonus	1.25	0.90	
March 1, 1993	N.A.	12,533	100	N.A.	Bonus	1.67	1.19	
February 4, 1997	N.A.	62,666	100	N.A.	Bonus	8.36	5.97	
November 6, 1999	Cash	1,12,901	100	100	Allotment	15.05	10.76	
February 4, 2000	Cash	43,970	100	86.20	Purchase	5.86	4.19	
March 26, 2001	Cash	(43,970)	100	86.20	Transfer	(5.86)	(4.19)	
The Face Value of the Equity Shares of our Company were sub-divided from Rs.100 each to Rs.10 each w.e.f. March 25, 2002.								
March 25, 2002	N.A.	20,69,000	10	N.A.	Post-split	27.59	19.72	
May 29, 2002	Cash	(500)	10	10	Transfer	(0.01)	Negligible	
March 5, 2004	Cash	2,75,100	10	50	Allotment	3.67	2.62	
April 4, 2007	Cash	(5,15,152)	10	10	Transfer	(6.87)	(4.91)	
July 4, 2007	Cash	(6,75,000)	10	10	Transfer	(9.00)	(6.43)	
July 4, 2007	Cash	6,00,000 500	10 10	50 10	Purchase	8.01	5.72	
Total		**17,53,948**				**23.39**	**16.72**	
Mr. Arjun Gupta								
November 30, 1986	Cash	5	100	100	Purchase	Negligible	Negligible	None of the Equity Shares have been pledged as on the date of this Red Herring Prospectus.
March 31, 1990	Cash	1,150	100	100	Allotment	0.15	0.11	
March 29, 1991	N.A.	1,155	100	N.A.	Bonus	0.15	0.11	
March 1, 1993	N.A.	1,540	100	N.A.	Bonus	0.21	0.15	
February 4, 1997	N.A.	7,700	100	N.A.	Bonus	1.03	0.73	
November 6, 1999	Cash	58,450	100	100	Allotment	7.79	5.57	
February 4, 2000	Cash	50,000	100	86.20	Purchase	6.67	4.77	
March 26, 2001	Cash	(10,000)	100	86.20	Transfer	(1.33)	(0.95)	
The Face Value of the Equity Shares of our Company were sub-divided from Rs.100 each to Rs.10 each w.e.f. March 25, 2002								
March 25, 2002	N.A.	11,00,000	10	N.A.	Post-split	14.67	10.49	

Date of Allotment/ Acquisition	Conside-ration	Number of Equity Shares	Face Value (Rs.)	Transaction Price (Rs.)	Nature of Transaction	% of pre-issue share capital	% of post-issue share capital	% of Pledged Shares
May 29, 2002	Cash	(11,500)	10	10	Transfer	(0.15)	(0.11)	
March 5, 2004	Cash	62,900	10	50	Allotment	0.84	0.60	
April 4, 2007	Cash	(7,18,528)	10	10	Transfer	(9.58)	(6.85)	
Total		**4,32,872**				**5.77**	**4.13**	
Mr. Nakul Gupta								
November 30, 1986	Cash	5	100	100	Purchase	Negligible	Negligible	None of the Equity Shares have been pledged as on the date of this Red Herring Prospectus.
March 31, 1990	Cash	1,150	100	100	Allotment	0.15	0.11	
March 29, 1991	N.A.	1,155	100	N.A.	Bonus	0.15	0.11	
March 1, 1993	N.A.	1,540	100	N.A.	Bonus	0.21	0.15	
February 4, 1997	N.A.	7,700	100	N.A.	Bonus	1.03	0.73	
November 6, 1999	Cash	58,450	100	100	Allotment	7.79	5.57	
February 4, 2000	Cash	50,030	100	86.20	Purchase	6.67	4.77	
March 26, 2001	Cash	(10,120)	100	86.20	Transfer	(1.35)	(0.96)	
The Face Value of the Equity Shares of our Company were sub-divided from Rs.100 each to Rs.10 each w.e.f. March 25, 2002								
March 25, 2002	N.A.	10,99,100	10	N.A.	Post-split	14.65	10.48	
May 29, 2002	Cash	(11,500)	10	10	Transfer	(0.15)	(0.11)	
March 5, 2004	Cash	62,000	10	50	Allotment	0.83	0.59	
April 4, 2007	Cash	(7,18,528)	10	10	Transfer	(9.58)	(6.85)	
Total		**4,31,072**				**5.75**	**4.11**	

4. **The aggregate shareholding of the Promoters & Promoter Group as of the date of filing this Red Herring Prospectus**

Particulars	Pre-Issue	
	Number of Shares	% of holding
Promoters		
Mr. Avinash C. Gupta	17,53,948	23.39
Mr. Arjun Gupta	4,32,872	5.77
Mr. Nakul Gupta	4,31,072	5.75
Total (A)	**26,17,892**	**34.91**
Promoter Group		
Ms. Meera Gupta	10,34,108	13.79
Bakool Venture Private Limited	1,50,000	2.00
Ms. Gunjan Gupta	11,500	0.15
Ms. Sucheta Sarvadaman Nakul	11,500	0.15
Total (B)	**12,07,108**	**16.09**
Total (A+B)	**38,25,000**	**51.00**

5. **Promoter’s Contribution and Lock-in**

The Equity Shares that are being locked-in are eligible for computation of Promoter’s contribution under Regulation 33(1) of the SEBI (ICDR) Regulations and are being locked-in under Regulation 36 of the SEBI (ICDR) Regulations.

a) Details of Promoter’s Contribution locked-in for three (3) years:

Pursuant to Regulation 36(a) the SEBI (ICDR) Regulations, an aggregate of 20% of the post-Issue shareholding of our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue. Further our Promoters have given their written consent for including these Equity Shares as a part of Promoter’s contribution, details of which are set out below:

Date on which the Equity Shares were Allotted/ Acquired	Date when made fully paid up	Consideration	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of post-Issue share capital	Period of Lock-in
Mr. Avinash C. Gupta							
July 4, 2007	July 4, 2007	Cash	500	10	10	Negligible	3 years
July 4, 2007	July 4, 2007	Cash	6,00,000	10	50	5.72	
March 5, 2004	March 5, 2004	Cash	2,75,100	10	50	2.62	
February 4, 1997	February 4, 1997	Bonus	5,83,500	10	N.A.	5.56	
Total (A)			**14,59,100**			**13.91**	
Mr. Arjun Gupta							
March 5, 2004	March 5, 2004	Cash	62,900	10	50	0.60	3 years
February 4, 2000	February 4, 2000	Cash	81,472	10	86.20	0.78	
November 6, 1999	November 6, 1999	Cash	1,75,228	10	10	1.67	
Total (B)			**3,19,600**			**3.05**	
Mr. Nakul Gupta							
March 5, 2004	March 5, 2004	Cash	60,712	10	50	0.58	3 years
November 6, 1999	November 6, 1999	Cash	2,58,888	10	10	2.47	
Total (C)			**3,19,600**			**3.05**	
Total (A +B +C)			**20,98,300**			**20.00**	

The Face Value of the Equity Shares of our Company was sub-divided from Rs.100 each to Rs.10 each w.e.f. March 25, 2002.

b) Details of other Equity Shares locked-in for one (1) year:

In terms of Regulation 36(b) and 37 of the SEBI (ICDR) Regulations, in addition to the Equity Shares proposed to be locked-in as part of the Promoters' Contribution as stated above, the balance pre-Issue Equity Share capital of our Company, constituting 54,01,700 Equity Shares will be locked-in for a period of one (1) year from the date of allotment in the Issue.

In terms of Regulation 39 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:

(a) if the Equity Shares are locked-in in terms of clause (a) of Regulation 36, the loan has been granted by such bank or institution for the purpose of financing one or more of the "Objects of the Issue" and pledge of Equity Shares is one of the terms of sanction of the loan;
(b) if the Equity Shares are locked-in in terms of clause (b) of regulation 36 and the pledge of specified securities is one of the terms of sanction of the loan.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters may be transferred to any other person holding shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters may be transferred to and among our Promoters or our Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

6. **Shareholding Pattern of our Company**

The table below presents our shareholding pattern before the proposed Issue:

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of shares	As a percentage
(A)	**Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	6	36,75,000	36,75,000	49.00	49.00	Nil	Nil
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	1	1,50,000	1,50,000	2.00	2.00	Nil	Nil
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(1)	**7**	**38,25,000**	**38,25,000**	**51.00**	**51.00**	**Nil**	**Nil**
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**7**	**38,25,000**	**38,25,000**	**51.00**	**51.00**	**Nil**	**Nil**
(B)	**Public shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Foreign Institutional Investors	2	11,87,056	11,87,056	15.83	15.83	Nil	Nil
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B)(1)	2	11,87,056	11,87,056	15.83	15.83	Nil	Nil
(2)	Non-institutions							
(a)	Bodies Corporate	1	11,75,000	5,00,000	15.67	15.67	Nil	Nil
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7	13,12,944	13,12,944	17.50	17.50	Nil	Nil
(c)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B)(2)	**8**	**24,87,944**	**18,12,944**	**33.17**	**33.17**	**Nil**	**Nil**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**10**	**36,75,000**	**30,00,000**	**49.00**	**49.00**	**Nil**	**Nil**
	TOTAL (A)+(B)	**17**	**75,00,000**	**68,25,000**	**100.00**	**100.00**	**Nil**	**Nil**
(c)	**Shares held by Custodians and against which Depository Receipts have been issued**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	GRAND TOTAL (A)+(B)+(C)	**17**	**75,00,000**	**68,25,000**	**100.00**	**100.00**	**Nil**	**Nil**

7. Our Company, Directors, Promoters, Promoter Group, their respective directors and the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

8. **Top Ten Shareholders of our Company**

a. The top ten (10) shareholders of our Company as of the date of this Red Herring Prospectus are as follows:

No.	Name of the Shareholder	Number of Equity Shares
1.	Mr. Avinash C. Gupta	17,53,948
2.	Gammon India Limited	11,75,000
3.	Ms. Karuna Rajan	10,62,944
4.	Ms. Meera Gupta	10,34,108
5.	Emerging India Focus Fund	7,37,056
6.	Lotus Global Investments Limited	4,50,000
7.	Mr. Arjun Gupta	4,32,872
8.	Mr. Nakul Gupta	4,31,072
9.	Ms. Sarla Gupta	1,75,000
10.	Bakool Venture Private Limited	1,50,000

b. The top ten (10) shareholders of our Company as of ten (10) days prior to the date of this Red Herring Prospectus are as follows:

No.	Name of the Shareholder	Number of Equity Shares
1.	Mr. Avinash C. Gupta	17,53,948
2.	Gammon India Limited	11,75,000
3.	Ms. Karuna Rajan	10,62,944
4.	Ms. Meera Gupta	10,34,108
5.	Emerging India Focus Fund	7,37,056
6.	Brij Real Estate & Property Private Limited	4,50,000
7.	Mr. Arjun Gupta	4,32,872
8.	Mr. Nakul Gupta	4,31,072
9.	Ms. Sarla Gupta	1,75,000
10.	Bakool Venture Private Limited	1,50,000

c. The top ten (10) shareholders of our Company as of two (2) years prior to the date of this Red Herring Prospectus are as follows:

No.	Name of the Shareholder	Number of Equity Shares
1.	Mr. Avinash C. Gupta	17,53,948
2.	Brij Real Estate & Property Private Limited	14,37,056
3.	Ras Projects Limited	12,12,944
4.	Ms. Meera Gupta	10,34,108
5.	Gammon India Limited	6,75,000
6.	Associated Transrail Structures Limited	5,00,000
7.	Mr. Arjun Gupta	4,32,872
8.	Mr. Nakul Gupta	4,31,072
9.	Ms. Gunjan Gupta	11,500
10.	Ms. Sucheta Sarvadaman Nakul	11,500

9. Except as set forth below, none of our Directors or Key Managerial Personnel hold Equity Shares in our Company:

Name of the Director	Number of Equity Shares held	Shareholding (%)
Mr. Avinash C. Gupta	17,53,948	23.39
Mr. Arjun Gupta	4,32,872	5.77
Mr. Nakul Gupta	4,31,072	5.75

10. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares, as on the date of filing this Red Herring Prospectus.

11. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing of this Red Herring Prospectus.

12. Our Company does not have any employees' stock option or employees stock purchase scheme as on the date of filing of this Red Herring Prospectus.

13. Our Company has not issued Equity Shares out of revaluation reserves. Further our Company has not issued any Equity Shares for consideration other than cash except for bonus Equity Shares issued out of free reserves.

14. The Equity Shares issued pursuant to this Issue shall be fully paid-up.

15. None of our Promoters, Directors and our Promoter Group have purchased or sold any Equity Shares within the six (6) months preceding the date of filing this Red Herring Prospectus with SEBI.

16. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with SEBI until the Equity Shares have been listed.

17. Our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the Bid/Issue Opening Date, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for the Equity Shares) whether preferential or otherwise, except if our Company plans to enter into acquisitions, mergers, joint ventures or strategic alliances, subject to necessary approvals, our Company may issue Equity Shares or securities linked to Equity Shares to finance such acquisition, merger, joint venture or strategic alliance or as consideration for such acquisition, merger, joint venture or strategic alliance or for regulatory compliance or entering into any other scheme of arrangement if determined by the Board to be in the best interests of our Company.

18. A Bidder cannot make a Bid for more than the number of Equity Shares offered in the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

19. Our Company has not made any public issue since its incorporation.

20. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

21. As of the date of filing this Red Herring Prospectus, our Company has seventeen (17) members.

22. Our Company has not raised any bridge loan against the proceeds of this Issue.

23. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue.

24. An oversubscription to the extent of 10% of the Issue can be retained for purposes of rounding off while finalizing the basis of allotment.

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

    A total of upto 50,000 Equity Shares, have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price. An Employee Discount of Rs. [●] to the Issue Price has been offered to

Eligible Employees. Only Eligible Employees would be eligible to apply in this Issue under Reservation for Eligible Employees. Separate Bid Applications can be made by Employees under the Net Issue to Public category as well and such Bids will not be treated as multiple bids.

26. Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such inter-se spill over, if any, will be at the discretion of the Company in consultation with the BRLM.

27. Our Promoters and members of our Promoter Group will not participate in this Issue.

28. Our BRLM and its associates do not hold any Equity Shares of our Company as on the date of filing of this Red Herring Prospectus with SEBI.

29. There are restrictive covenants in the agreements entered into by our Company with certain lenders for availing short-term and long-term borrowings. Our Company has obtained "No Objection Certificate" from these lenders**.**

OBJECTS OF THE ISSUE

We believe that the listing of our Equity Shares will provide liquidity to our existing shareholders, enhance our visibility and will also enable us to use our Equity Shares for growth opportunities.

The Objects of the Issue are as under:

1. To meet long-term working capital requirements;
2. To finance the procurement of construction equipment;
3. To set up maintenance and storage facility for construction equipment;
4. For setting up of training centre for employees;
5. For general corporate purposes; and
6. To meet Issue expenses

The details of our fund requirements and deployment of such funds are based on internal management estimates in view of the current circumstances of our business. These requirements are subject to change taking into consideration variations in costs and other external factors which may not be within our control or as a result of changes in our financial condition, business or strategy. Our management will have the discretion to revise our business plans from time to time and consequently our funding requirements and deployment of funds may also be change. This may result in rescheduling the proposed utilisation of the proceeds and increasing or decreasing expenditure for a particular object *vis-a-vis* the utilisation of the proceeds.

FUND REQUIREMENTS

The fund requirements for each of the objects are given in the following table:

No.	Particulars	Amount (Rs. in Lakhs)
1.	To meet long-term working capital requirements	3,000.00
2.	To finance the procurement of construction equipment	1,623.83
3.	To finance setting up of maintenance and storage facility for construction equipment	499.48
4.	For setting up of training centre for employees	540.69
5.	For general corporate purposes	[●]
6.	To meet Issue expenses	[●]
	Total	**[●]**

MEANS OF FINANCE

The total fund requirements in relation to the "Objects of the Issue" shall be financed out of Issue Proceeds. Shortfall, if any, would be met by internal accruals. Our free reserves on a standalone basis as on March 31, 2010 was Rs. 4,247.71 lakhs.

DETAILS OF USE OF PROCEEDS

1. Long-term Working Capital Requirements

The business of our Company has been growing over the years. Considering the existing growth rate the incremental working capital needs of our Company is expected at approximately Rs. 3,492.40 lakhs for FY 2011 as assessed based on the workings of our Company. We intend to meet our working capital requirements to the extent of Rs. 3,000.00 lakhs from the Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

Our existing working capital available and the funding for the same is as follows:

(Rs. in Lakhs)

Particulars	FY 2010 (Actual)	FY 2011 (Estimated)
Inventories	345.02	997.19
Sundry Debtors	5,635.57	9,558.82
Other Current Assets **	5,167.80	10,822.03
Less: Current Liabilities and provisions	4,832.32	11,569.57
Total Working Capital Requirements	**6,316.07**	**9,808.47**

Particulars	FY 2010 (Actual)	FY 2011 (Estimated)
Funding Pattern		
Bank and other Borrowings	1,826.32	1,826.32
Internal Accruals	4,489.75	*
IPO Proceeds	0.00	3,000.00

**The balance will be sourced from internal accruals*

** The Other current assets of Rs. 5,167.80 lakhs for the year ended March 31, 2010 includes loans and advances and fixed deposits/cash margin under lien with banks of Rs. 4122.63 lakhs and Rs. 1045.17 lakhs respectively.

Our expected incremental working capital requirements for FY 2011 are as follows:

(Rs. in Lakhs)

Particulars	FY 2011 (Estimated)
Inventories	652.17
Sundry Debtors	3,923.25
Other Current Assets	5,654.23
Less: Current Liabilities and provisions	6,737.25
Total Working Capital Requirements	**3,492.40**

The assumptions for current assets and liabilities for our business are given in the table below:

Particulars	Period in months
Current Assets	
Inventories (includes raw material, work in progress and stores)	15days
Debtors	100 days
Other Current Assets	Margin for BG and LC + 56 days for retention money + 36 days for other Current Assets
Current Liabilities	
Current Liabilities	Creditors 40 days, Other Current Liabilities including advances 89 days
Provision for Income Tax	33.99% of taxable income

2. Finance the Procurement of Construction Equipment

In order to meet our growth plans, we propose to make substantial investments in Construction Equipment. We believe that owning the said equipment and not having to hire the same will enable us to mobilize our resources and render services to our clients in a faster, more efficient and cost competitive manner. We have envisaged a capital expenditure of approximately Rs. 1,623.83 lakhs for the purchase of the Construction Equipment.

We propose to add 101 equipment as per the details given below, out of which we have already purchased seven (7) equipment.

We have already purchased the following equipment:

No.	Equipment	Quantity	Cost (Rs. in Lakhs)	Name of the Supplier	Status of Delivery
1.	Tata Tipper LPK 2518	5	80.30	Tata Motors Limited	Received at site in Kenya
2.	Hydraulic Excavator EX 200 LC	2	74.50	Telco Construction Equipment Co. Limited	Received at site in Kenya
	Total	**7**	**154.80**		

We are yet to place orders for the following equipment as mentioned below:

No.	Equipment	Quantity	Estimated Cost (Rs. in Lakhs)	Quotation from	Date of Quotation
1.	Ingersoll-Rand Aportsble compressor, Free Air delivery 17.00 cu Mtr/Min (600 cfm), normal working pressure 7.03 Kg/cm2(g) (100psi), engine cumin	4	44.68	Doosan International India Private Limited	April 20, 2010

No.	Equipment	Quantity	Estimated Cost (Rs. in Lakhs)	Quotation from	Date of Quotation
	make, 160 HP at rated rpm (p-600B, Model 6 BTA 5.9C)				
2.	Wheel Loader with standard bucket capacity 3.3 cum / 2.7 cum with standard accessories (TWL 3036)	2	57.62	Telco Construction Equipment Co. Limited	April 10, 2010
3.	Wheel Loader and Hydraulic Excavator with Cummins 6BT engine and accessories as listed in offer (EX 200 LC)	3	132.28	Telco Construction Equipment Co. Limited	April 10, 2010
4.	Tata Crawier Crane with basic boom of 15.25 M max rated load of 75,000 kgs at 3.67 M operating radius with boom insert of 6m (TFC 280-45)	1	210.91	Telco Construction Equipment Co. Limited	April 10, 2010
5.	Ashok Leyland Taurus 2516/2 (6x4)-3810MM (150") WB tipper chasis fitted with AL 412 TCAC (BS II) firdrl rnhinr 6 speed svnchromesh gerbox, integral power steering, exhaust brake, swrewheel carrier & rim, mirrir LH/RH (one each) nois shield spray suppressor, tool kit, CMVR kit, complete with cabin front end tiiping gear & box type body of 14 cum capacity built and mounted by our authorized body builder 3 nos. 10.00 x 20-16 nylon + 8 nos. 10.00 x 20-16 PR PD nylon (Taurus 2516)	7	127.80	Gautam Automobiles Private Limited	April 15, 2010
6.	L&T – komatsu PC 200-6 hydraulic excavator (backhoe), with spool valve rock breaker, powered by KOMASTSU Diesel Engine model S6D102E-1, developing 128 HP@2000 RPM (SAE), fitted with 5.7 M boom, 2.41 Stick & 0.93 cum (SAE) HD bzchoe bucket (PC-200-6)	2	89.35	Larsen & Tourbo Limited	April 04, 2010
7.	Caterpillar 21.5 ton class hydraulic excavator with Temp Windows, Load sensing hydraulic, long under carriage, air conditioner, travel alarm, 600 mm triple grouser track, bucket 1 cum, reach 5.7 m boom, reach 2.9 m stick (320DL)	1	93.49	TIL Limited	April 22, 2010
8.	Caterpillar – CAT wheel loader 3.1 cum bucket 23.5 – 26 16 PR HRL GY L3 tires, lights directional SW, Cabin with air conditioner, high ambient cooling, alarm back up, work lights, 3.1 cum bucket (950H)	2	267.93	TIL Limited	April 22, 2010
9.	Caterpillar CAT 202 HP Class Track Dozer with cater pillar diesel engine, non ROPS canopy, semi universal blade, work lights, power shift transmission,, track and guiding guards, 560 mm single grouser sealed and lubricated tracks, radial type air cleaner with turbine precleaner (Model D7GII)	1	163.61	TIL Limited	April 22, 2010
10.	Caterpillar CAT 17 Ton Class Soil Compacted, with CAT C6.6 engine with	1	45.01	TIL Limited	April 22, 2010

No.	Equipment	Quantity	Estimated Cost (Rs. in Lakhs)	Quotation from	Date of Quotation
	ACERT Technology developing 165 HP, pod style eccentric weight, dual pump propel system, heavy duty isolation mounts, drum width of 2340 mm, dual frequency of 31/34 Hz, back up alarm, with drum drive (Model CS 76)				
11.	Escorts Model HY-12 ton Crane Capacity @1.5 mtrs radius with boom height 11.5 Mts app. 3 part hydraulic telescoping slotted book, self compensating snatch block, heavy duty planetary drive winch, control valve, heavy duty transmission, articulated chasis (Model HY-12)	2	21.85	Escorts Construction Equipment Limited	April 15, 2010
12.	Model MTW A6 400 Amps 100% electrolytic copper wound fully thyristorised full wave output 6 SCR controlled built-in with Automatic Current Stablizer Copper wound input 380-440V, 60% Duty Cycle, Phase3, Cycles 50-60 Hz, H lass insulation forced Air Cooled dynamic constant current output with no drop irrespective of cable length upto 150 mtrs, mounted on four wheel with caliberated volt & Amp meter either digital or Analog as desired, all steel hardware duly galvanized and outer chasing duly phosphated and Electrostic powder coated with remote control with hot start push button and chord upto-20 mtrs (MTW A6 400)	20	20.96	Memco Machinery Mart	April 29, 2010
13.	Automatic Current Stablizer Model Mtw A6 400 Amps mix copper along with above accessories (Model Mtw A6 400)	20	1.87	Memco Machinery Mart	April 29, 2010
14.	Automatic Current Stablizer Model Thyroweld A6 400 Amps along with above accessories (Model Thyroweld A6)	20	1.64	Memco Machinery Mart	April 29, 2010
15.	Greaves batching Plant 30m3/HR – 30 Cu Mtr per hr capacity fully automatic pan mixing arrangement with separate water, cement hopper with 3 load cells each + 100 Ton cement silo and 50 ton fly ash silo (Model MIX500)	2	102.79	Greaves Cotton Limited	April 19, 2010
16.	Concrete Pump alongwith 100 Mtr Pipeline – Taper pipe, connection pipe, clamp device, sealing ring, scaper, temp gauge, trap basket, pipe cleaning head, tool kit, handle holding bar etc. (BP 350 D)	2	42.96	Greaves Cotton Limited	April 19, 2010
17.	Concrete Mixer 1000 Ltrs dry and 500 wet capacity fitted with 22 KW motor and Cobra Rao Gear Box (RHS 65XL)	4	44.29	Greaves Cotton Limited	April 19, 2010
	Total	**94**	**1469.03**		

Schedule of Implementation

The procurement for the balance equipment will commence August 2010 and the delivery of the said equipment is proposed to be completed within a span of 8-9 months i.e. by April 2011.

3. To set up Maintenance and Storage Facility for Construction Equipment

We intend to set-up a maintenance and storage facility for our Construction Equipment. The purpose of setting up this facility is to enable safe storage of the Construction Equipment. This facility will provide flexibility to our Company to manage the deployment of the Construction Equipment for specific projects. Maintenance and repairs services for our Construction Equipment will also be provided in the proposed facility. We believe that an in-house servicing and maintenance of Construction Equipment will be cost effective.

The approximate costs for setting up this maintenance and storage facilities is as follows:

(Rs. in Lakhs)

Particulars	Total Fund Requirement
Land	250.00
Storage & Maintenance Shed	129.48
Maintenance Equipment & Support Facilities	80.00
Contingencies	40.00
Total	**499.48**

The details of the above expenses are as mentioned under:

Land

We propose to purchase land for setting up the Maintenance and Storage facility in close proximity to our Corporate Office i.e. near Faridabad at an estimated cost of Rs. 250 lakhs. We are yet to identify the land for the storage and maintenance facility and are exploring various locations near Faridabad for acquiring land admeasuring approximately five (5) acres.

Storage & Maintenance Facility

The cost of construction of a shed for the Storage & Maintenance Facility including civil works as per the estimate provided by Mr. Ratul Banerjee, Architect dated August 11, 2009 is approximately Rs. 130 lakhs.

Storage & Maintenance Facility would be developed over approximately of 13,000 sq. ft. We estimate to complete the construction of the facility by November 2011.

The break-up of cost to be incurred for development and construction of the Facility is as given below:

No.	Particulars	Rate (Rs.)	Unit	Total Cost (Rs. in Lakhs)
1.	Tor Steel for columns, Beams, Footings and Slabs	50,000	Ton	27.50
2.	M 20 Concrete	125	CFT	3.75
3.	Brick Work	105	CFT	6.30
4.	Steel Work for Door, Windows	450	Sq. Ft.	10.13
5.	Excavation and Filling	7	Sq. Ft.	0.35
6.	Plastering and Flooring	50	Sq. Ft.	13.00
7.	Industrial North Light Truss Roffing	150	Sq. Ft.	19.50
8.	Sanitary and Plumbing	75	Sq. Ft.	9.75
9.	Electrical Works	100	Sq. Ft.	13.00
10.	Painting			1.50
11.	External Developments	190	Sq. Ft.	24.70
	Total			**129.48**

Miscellaneous Assets

We propose to purchase equipment & support facilities for the servicing and maintenance of the Construction Equipment. These cost estimates are based on our past experience and current market conditions.

The following are the details of the maintenance equipment and support facilities proposed to be purchased:

Sr. No.	Particulars	Quantity	Amount (Rs. in Lakhs)
1.	EOT Crane	1x10T	12.00
2.	Washing Sets	1 No.	6.00
3.	Welding Sets	2 No.s	5.00
4.	Drill Machine	2 No.s	4.00
5.	Lathe Machine	2 No.s	6.00
6.	Various tools and tackles	Set	7.00
	Total (a)		**40.00**
7.	DG set of 40 kw	2 Nos	18.00
8.	Furniture, fixtures and other provisions		19.00
9.	Computers, printers and fax		3.00
	Total (b)		**40.00**
	Total (a+b)		**80.00**

Schedule of Implementation

Activity	Expected Commencement	Expected Completion
Land	March 2010	October 2010
Storage and Maintenance Shed	November 2010	October 2011
Miscellaneous Assets	July 2011	November 2011

4. Training Centre for Employees and new recruits

Being a part of the service sector, our performance is directly related to our human resources. In order to cater to our growth plans and business strategies, it is important that we train our employees and new recruits to upgrade their skills. Since our Company mainly inducts qualified engineers for its projects, we believe that our training centre should be located near to major education and industrial centre of the country. We have therefore identified Nagpur, Maharashtra as the location for setting up the training centre.

The approximate cost of setting up training centre is as follows:

(Rs. in Lakhs)

Particulars	Total Fund Requirement
Land and other related expenses	160.00
Civil Work & Building	303.69
Miscellaneous Assets	27.00
Contingencies	50.00
Total	**540.69**

Details for setting up training centre are as under:

Land

We have entered into an Agreement to Sell dated July 29, 2009 with Mr. Alok Chandra (vendor) for acquiring land no. 33 admeasuring 2 hectares adjacent to MIDC, Hingna Industrial Estate, Nagpur, Maharashtra for Rs. 150.00 lakhs. Our Company has made a payment of Rs. 15 lakhs as advance. The balance amount of Rs. 135 lakhs shall be paid to the vendor from the Proceeds of the Issue. The sale deed for the said land will be entered into on payment of full amount to the vendor. Transfer and related costs are estimated to Rs. 10 lakhs, thereby total costs for land will be Rs. 160 lakhs approximately.

Civil Work & Building

The total built up area would be approx 27,991 sq. ft. and the cost of civil and construction work of training centre is estimated to cost Rs.303.69 lakhs as per the certificate provided by Mr. Ratul Banerjee, Architect dated August 11, 2009.

The break-up of cost to be incurred for development and construction of the training centre is as given below:

No.	Particulars	Rate (Rs.)	Unit	Total Cost (Rs. in Lakhs)
1.	TOR Steel for columns, Beams Footings and Slabs	50,000	Ton	56.00
2.	M 20 Concrete	100	Sq. Ft.	27.99
3.	Brick Work	75	Sq. Ft.	20.98
4.	Wood work for Door, Windows	150	Sq. Ft.	41.98
5.	Excavation and filling	7	Sq. Ft.	1.37
6.	Plastering, Flooring, Water Proofing and Mud Fuska	50	Sq. Ft.	42.00
7.	Sanitary and Plumbing	125	Sq. Ft.	34.99
8.	Electrical works	100	Sq. Ft.	27.99
9.	Painting and Polishing	30	Sq. Ft.	8.40
10.	External Development	150	Sq. Ft.	41.99
	Total			**303.69**

Miscellaneous Assets

The estimated total cost, based on our internal estimates, for miscellaneous assets is Rs. 27 lakhs which includes expenditure on furniture and fittings, training aides and other accessories.

Schedule of Implementation

Activity	Expected Commencement	Expected Completion
Land	August 2009	July 2010
Building	October 2010	January 2012
Miscellaneous Fixed Assets	December 2011	February 2012

5. For General Corporate Purposes

We operate in an industry that is technologically innovative, and requires significant investments for growth. We propose to continue to pursue our strategy of growth organically and inorganically. The excess funds will be utilized for the general corporate purposes of our Company which includes, but is not restricted to, upgradation of our corporate offices, strategic acquisitions and repayment of debts.

6. Issue Expenses

The issue expenses include, among others, issue management fees, underwriting and selling commission, distribution expenses, legal fees, printing and stationery expenses, advertising and issue marketing expenses, listing fees to the stock exchanges, registrar and depository fees. All expenses with respect to the Issue will be met out of the Proceeds of the Issue.

The total estimated expenses are Rs. [●] lakhs, which is [●] % of the Issue size.

Activity	Expenses* (Rs. in Lakhs)	Percentage of Issue Expenses*	Percentage of the Issue Size*
Lead management, underwriting and selling commission	[●]	[●]	[●]
Printing and Stationery expenses	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Others (IPO grading, registrar's fees, legal fee, listing fees etc.)	[●]	[●]	[●]
Total estimated issue expenses	**[●]**	**[●]**	**[●]**

*will be incorporated after finalization of Issue price

FUNDS DEPLOYED

As per the certificate dated May 24, 2010 from our Statutory Auditors M/s. Rajesh Suresh Jain & Associates, we have deployed Rs. 224.55 lakhs till May 15, 2010. The same has been financed from our internal accruals. The detail of funds deployed is as follows:

No.	Particulars	Amount (Rs. in Lakhs)
1.	Acquisition of Construction Equipment	154.80
2.	Towards Issue expenses	54.75
3.	Acquisition of land at Nagpur for Training Centre	15.00
	Total	**224.55**

In case of business requirements, required funds will be deployed out of internal accruals towards the "Objects of the Issue" and will be recouped from the Proceeds of the Issue.

BALANCE FUNDS FOR DEPLOYMENT

(Rs. in Lakhs)

Particulars	Balance Fund requirement	Proposed Deployment	
		2010-11	2011-12
Long term Working Capital	3,000.00	3,000.00	Nil
Purchase of Construction Equipment	1,469.03	1,311.00	158.03
Setting up of Maintenance Centre	499.48	338.48	161.00
Setting up of Training Centre	525.69	244.69	281.00
General Corporate Purposes	[●]	[●]	[●]
Issue Expenses	[●]	[●]	--

INTERIM USE OF FUNDS

We, in accordance with the policies established by our Board, will have flexibility in deploying the Proceeds received by us from the Issue. The particular composition, timing and schedule of deployment of the proceeds will be determined by us based upon the development of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in high quality interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

MONITORING OF UTILISATION OF ISSUE PROCEEDS

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency for the purposes of this Issue. As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by our Board will monitor the utilization of the Issue proceeds. We will disclose the utilization of the proceeds of the Issue, including interim use, under a separate head in our quarterly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilized, to the extent required under the applicable law and regulation.

No part of the Proceeds from the Issue will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or Key Managerial Personnels, except in the normal course of our business.

For risks associated with our "Objects of the Issue", please refer to the section titled "Risk Factors" beginning on page 10 of this Red Herring Prospectus.

BASIC TERMS OF THE ISSUE

Public Issue of 29,90,000 Equity Shares of face value of Rs. 10 each of Technofab Engineering Limited (the "Company" or the "Issuer") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs (the "Issue"). The Issue comprises of a reservation of 50,000 Equity Shares of Rs. 10 each for Eligible Employees (the "Employee Reservation Portion") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs and a net issue to the public of 29,40,000 Equity Shares of Rs. 10 each (the "Net Issue") for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs. The Issue will constitute 28.50 % of the fully diluted post-issue paid-up capital of our Company. The net issue will constitute 28.03% of the post issue paid-up equity capital of our Company.

The Issue is being made through a 100% Book Building Process.

	QIBs	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Employee Reservation Portion**
Number of Equity Shares*	Upto 14,70,000 Equity Shares	Not less than 4,41,000 Equity Shares or Net Issue Size less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 10,29,000 Equity Shares or Net Issue Size less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 50,000 Equity Shares
Percentage of Issue Size available for Allotment/allocation	Upto 50% of Net Issue to Public or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders. However upto 5% of the QIB portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of Net Issue or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of Net Issue or Net Issue less allocation to QIB Bidders and Non Institutional Bidders	Up to 1.67% of the Issue.
Basis of Allocation or allotment if respective category is oversubscribed	Proportionate as follows: (a) Equity Shares shall be allocated on proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate	Proportionate

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 1,00,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 1,00,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 1,00,000.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 1,00,000.##
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of 1 Equity Share thereafter.	[●] Equity Shares and in multiples of 1 Equity Share thereafter.	[●] Equity Shares and in multiples of 1 Equity Share thereafter.	[●] Equity Shares and in multiples of 1 Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institution as defined in section 4A of the Companies Act, 1956, scheduled commercial bank, mutual fund registered with the SEBI, foreign institutional investor and sub-account registered with SEBI (*other than a sub-account which is a foreign corporate or foreign individual*), multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial	Eligible NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals (including HUFs, NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value.	Eligible Employees

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs and National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India.			
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid-cum-Application Form. #	Margin Amount shall be payable at the time of submission of Bid cum Application Form.#	Margin Amount shall be payable at the time of submission of Bid cum Application Form. #
Margin Amount	Bid Amount on bidding	Bid Amount on bidding	Bid Amount on bidding	Bid Amount on bidding

\# *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

\## *Employee Discount will be applicable to all Eligible Employees with a maximum bid in the Employee Reservation Portion being Rs. 100,000.*

* *Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such inter-se spill over, if any, will be at the discretion of the Company in consultation with the BRLM.*

** *In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

1) Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the 100% Book Building Process wherein upto 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds and the remaining QIB portion shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If the aggregate demand from Mutual Funds is less than 73,500 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-issue advertisements were published, within two (2) days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC acknowledgement of the Prospectus after it is filed with the RoC. Under the SEBI (ICDR) Regulations QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Letters of Allotment or Refund Orders

Our Company shall credit each beneficiary account with its depository participant within twelve (12) working days of the Bid/Issue Closing Date. Applicants that are residents of sixty eight (68) cities where clearing houses are managed by the RBI will receive refunds through NECS only (subject to availability of all information for crediting the refund through NECS) except where the applicant is eligible to receive refunds through direct credit, NEFT or RTGS. In the case of other applicants our Company shall ensure the dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's, sole risk within ten (10) working days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund, within ten (10) working days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialized form within ten (10) working days from the Bid/Issue Closing Date;
- Dispatch of refund orders, shall be done within ten (10) working days from the Bid/Issue Closing Date; and
- Our Company shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions have not been given to clearing members and/or demat credits are not made to investors within the fifteen (15) day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Program

BID/ISSUE OPENS ON	**TUESDAY, JUNE 29, 2010**
BID/ISSUE CLOSES ON	**FRIDAY, JULY 02, 2010**

Bids and any revision in Bids shall be accepted only between **10.00 a.m. and 5.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders; and (ii) until 5.00 p.m. or such extended time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 1,00,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and the NSE.

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

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one (1) day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times mentioned in the Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM, Syndicate Members and the SCSB will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

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

Our Company, in consultation with the BRLM reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI (ICDR) Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least two working days before the Bid /Issue Opening Date.

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs.10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should review the entire Red Herring Prospectus, including the sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on pages 10, 85 and 132, respectively, of the Red Herring Prospectus to get a more informed view before making the investment decision.

Qualitative Factors

The key competitive strengths of our Company include the following:

Project execution capabilities

Our Company has been in the EPC business for the last thirty eight (38) years and has developed expertise in our line of operations which are characterized by our ability to minimize overheads, cost control and prevent overruns on project schedules along with strong skills in construction and contract management. This has contributed towards securing multiple orders received from customers like Lanco Infrastructure, BHEL, NPCIL, NTPC, amongst others. We have a track record in designing, manufacturing, procuring, constructing, commissioning, troubleshooting and servicing various systems and equipments. Each site is under the direct supervision of an experienced project manager which ensures effective control and prompt decision making.

Diversified business and capabilities

We believe that we have the requisite expertise and ability to offer our services for a range of BoP and other systems under one roof such as industrial & utility piping, fuel handling, fire detection, alarm & protection, water treatment, liquid waste & effluent treatment, raw / sea water intake, pumping stations and water transmission, plant electricals, switchyard, sub-stations, civil works, tankages, renovation and modernization of coal feeding systems etc. catering to various sectors like thermal (coal / gas) power, nuclear power, oil & gas, water & waste water, electrical distribution & rural electrification, minerals and metals, etc. The same skill set serving diverse systems and sectors, reduces our dependence on any one sector and also provides us the distinct advantage of executing multiple packages for a single project.

Cost competitiveness

We believe our strong in-house EPC and project management team helps us control the entire process. We control costs by eliminating unnecessary product features, procuring equipment and materials in cost efficient manner, optimizing logistics and maximizing labour efficiency.

Pre-qualification credentials

Pre-qualification is a basic requirement in our industry. It is necessary that bidder should have requisite qualification in terms of technical expertise, adequate capital, infrastructure, experienced manpower, value of projects executed in the past etc. Our track record of over thirty eight (38) years with 120 completed and 41 ongoing projects enables us to meet customers' prequalification requirement either independently or in association with joint-venture partners.

Qualified and experienced team

We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. We have well-qualified employee base with sound managerial experience in each business segment. We are dedicated to the development of the expertise and know-how of our employees and continue to invest in them to ensure that they have the necessary training required to be successful in today's challenging environment.

Our management team is led by our Chairman & Managing Director, Mr. Avinash C. Gupta supported by the two Directors, Mr. Arjun Gupta and Mr. Nakul Gupta and our operations are being managed by well qualified project teams headed by experienced project managers. Many of our Key Managerial Personnel have been with our Company for several years and our attrition rate is low. As on March 31, 2010, we have 222 employees working in our Company of which 161 are managerial and technical and 61 are commercial and non technical employees.

Established Marketing Set-up

Our Company's strong marketing strengths evolve from a multi-pronged strategy. Multiple / repeat orders from existing customers and a thorough scanning of all opportunities particularly projects financed by multilateral financing agencies are the key to our marketing approach. In Electrical Distribution and Rural Electrification which we have entered into, we have dedicated personnel for development of this business segment to identify and pursue opportunities including tie ups for technology and pre-qualification. This has enabled us to create a strong order book which is well diversified sectorially and geographically.

Quantitative Factors

The information presented in this section for the years ended March 31, 2008, 2009 and 2010 is derived from our restated financial statements prepared in accordance with Indian GAAP. Investors should evaluate our Company taking into consideration its earnings and based on its consolidated growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Adjusted Basic Earning Per Share (EPS) and Adjusted Diluted Earning Per Share on Standalone Basis

Particulars	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weight
Year ended March 31, 2008	7.04	7.21	1
Year ended March 31, 2009	15.64	15.64	2
Year ended March 31, 2010	25.45	25.45	3
Weighted Average	**19.11**	**19.14**	

The Adjusted Basic Earning Per Share (EPS) and Adjusted Diluted Earning Per Share on consolidated basis for the year ended March 31, 2010 is Rs. 25.54.

Note:

1. The Basic Earning per Share has been computed on the basis of the restated profits of the respective years drawn after considering the impact of material adjustments of prior period items.

2. The Diluted Earning per Share has been computed on the basis of the restated profits of the respective years drawn after considering the impact of material adjustments of prior period items.

3. The face value of each Equity Share is Rs.10.

2. Price Earning Ratio (P/E) in relation to the Issue Price of Rs. [●]* per Equity Share of Rs. 10 each

i. P/E based on the basic EPS of financial year ended March 31, 2010 is [●] at the Issue Price.

ii. P/E based on the diluted EPS of financial year ended March 31, 2010, is [●] at the Issue Price.

iii. Industry P/E

▪ Highest	139.4
▪ Lowest	7.7
▪ Industry Composite	29.6

(Source: Capital Market, Vol. XXV/06, May 17, 2010 – May 30, 2010 , Category "Engineering – Turnkey Services")

**would be calculated after determination of the Issue Price.*

3. **Average return on net worth as per restated standalone financials:**

Particulars	RONW (%)	Weight
Year ended March 31, 2008	24.76	1
Year ended March 31, 2009	36.43	2
Year ended March 31, 2010	38.20	3
Weighted average	**35.37**	

The Average return on net worth as per restated consolidated financial information is Rs. 38.18 for the year ended March 31, 2010

Note:
The average return on networth has been computed by dividing Net Profit after Tax as restated by networth as at the end of the year.

4. **Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS is Rs. [●].**

5. **Net Asset Value**

(a) As at March 31, 2010 is Rs. 66.64 as per restated standalone financial statements.
(b) As at March 31, 2010 is Rs. 66.90 as per restated consolidated financial statements
(c) After Issue [●].
(d) Issue Price [●].

Note:
Net Asset Value per Equity Share represents shareholders' equity as per restated financial statements less revaluation reserves (if any) and miscellaneous expenses (if any) as divided by weighted average number of Equity Shares outstanding as of date.

6. **Comparison of accounting ratios with Industry Peers**

Name of Company	Face Value of per Share (Rs.)	EPS (Rs.)	P/E	RONW (%)	NAV per Equity Share (Rs.)
Technofab Engineering Limited*	10	25.45	[●]	38.20	66.64
Hindustan Dorr Oliver Limited	2	7.7	16.7	21.3	28.2
Shriram EPC Limited	10	8.9	27.7	11.2	86.0
Sunil Hitech Engineers Limited	10	12.4	12.9	9.2	141.5
McNally Bharat Engineering Company Limited	10	5.6	34.8	10.4	63.0

**EPS, Return on Net Worth and NAV per Equity Share have been calculated from our Company's restated* standalone *financial statements for the year ended on March 31, 2010.*
(Source: Capital Market, Vol. XXV/04, May 17, 2010 – May 30, 2010, Category "Engineering – Turnkey Services")

The BRLM believes that the Issue Price of Rs. [●] with a face value of Rs. 10 per Equity Share and a premium of Rs. [●] per Equity Share is justified in view of the above parameters. Please refer to the section titled "Risk Factors" beginning on page 10 of this Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus to have a more informed view.

STATEMENTS OF TAX BENEFITS

Date: 24 May 2010

The Board of Directors,
Technofab Engineering Ltd.
507, Eros Apartment,
56, Nehru Place,
New Delhi.

Dear Sirs,

Initial Public Offer of Equity Shares

Tax benefits

We refer to the proposed Initial Public Offer of Technofab Engineering Limited (the "Company") and give below the current position of tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961, Wealth-tax Act, 1957 and the Gift Tax Act, 1958 for inclusion in the Offer document for the proposed initial public issue.

The current position of tax benefits available to the Company and to its shareholders is provided for general information purposes only. In view of the individual nature of tax benefits, each investor is advised to consult its own tax consultant with respect to the specific tax implications arising out of its participation in the issue.

Unless otherwise specified, sections referred to below are sections of the Income-tax Act, 1961 (the "Act"). All the provisions set out below are subject to conditions specified in the respective sections.

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

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

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

SPECIAL TAX BENEFITS TO THE COMPANY

Nil

GENERAL TAX BENEFITS TO THE COMPANY (Under the Income-Tax Act)

I.

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.

2. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years.

3. The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward for set-off with the income of future years.

4. If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.

5. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the company, under section 10(35) of the I.T.Act.

6. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

   a) 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost. Or
   b) 15 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.

7. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

II. <u>Section 115O</u>

Tax on distributed profits of domestic companies.

Any amount declared, distributed or paid by company by way of dividend shall be charged to additional income tax at the rate of 15% plus applicable surcharge and education cess.

III. <u>Tax Rates</u>

The tax rate is 30%
The surcharge on Income Tax is 7.5% if the taxable income exceeds Rs.10000000/-, Education Cess is 3%

<u>SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY</u>

Nil

<u>GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY</u>

I. <u>Under the Income-Tax Act</u>

A) <u>Residents</u>

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax.

2. Shares of the Company held as capital asset for a period of more than twelve months preceeding the date of transfer will be treated as a long term capital asset.

3. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.

4. As per the provision of section 71, if there is a loss under the head "Capital Gain", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be set-off against any long term capital gain. But Long Term Capital Loss cannot be set-off against short term capital gain.

5. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of :

   a) 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost. Or
   b) 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.

6. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus

applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

7. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified asset notified for the purpose of investment is Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs.50 lakhs.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

8. In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.

   The cost of the specified equity shares will not be eligible for deduction under section 80C.

9. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family.

   - Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
   - purchases another residential house within a period of one year after the date of transfer of the shares; or
   - constructs another residential house within a period of three years after the date of transfer of the shares; and
   - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

   If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

Tax Rates

1. Individuals, HUFs and Association of Persons:

   i) the income tax exemption limit is Rs.160000/-

   ii) Women residents of India and below the age of 65 years
   The income tax exemption limit is Rs. 190000/-
   Surcharge has been removed.
   Education cess remains at 3%.

2. Senior Citizens

Tax Rates:

i) Individuals residents of India and above the age of 65
The income tax exemption is Rs.240000/-.
Surcharge has been removed.
Education Cess remains @3%.

I Non-Residents

a. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 1,2003 will be exempt from tax.

b. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

c. In accordance with section 48, capital gains arising out of transfer of capital asset being shares in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.

d. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and additional surcharge called as "Education Cess").

e. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

f. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified asset notified for the purpose of investment is Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs.50 lakhs.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

g. In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.

The cost of the specified equity shares will not be eligible for deduction under section 80C.

h. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family.

   a. Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
   b. purchases another residential house within a period of one year after the date of transfer of the shares; or
   c. constructs another residential house within a period of three years after the date of transfer of the shares; and
   d. the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

   If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

B) Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, according to which:

1. In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset of the company shall be taxable at the rate of 20% (plus applicable surcharge and "Education Cess"). In case of income by way of long term capital gains in respect of a specified asset, shall be chargeable at 10% plus applicable surcharge and "Education Cess")

2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long –term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset.

3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income Tax Act.

4. In accordance with section 115-I, where a Non-Resident India opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the Company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

5. As per the provisions of section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they were beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country.

C) Foreign Institutional Investors (FIIs)

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).

2. In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and "Education Cess") on long-term capital gains, if securities transaction tax is not payable on the transfer of the shares.

3. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

D) Mutual Funds

In accordance with section 10(23D), any income of:

i) a Mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;

ii) such other Mutual Fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf, will be exempt from income-tax.

II. Under the Wealth Tax and Gift Tax Acts

1. "Asset" as defined under-section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.

2. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift-tax.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its share holders in the offer document which the company intends to submit to the Securities and Exchange Board of India, Mumbai.

For and on behalf of
Rajesh Suresh Jain & Associates
Chartered Accountants

Sd/-
Rajesh Jain
Proprietor
Membership No.098229
Place: New Delhi

SECTION IV: ABOUT THE COMPANY AND THE INDUSTRY

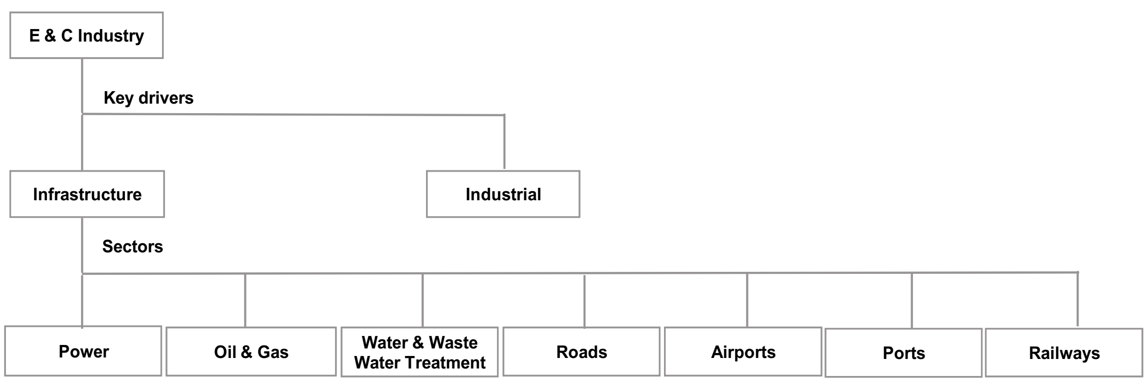
INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other industry sources. We have not verified or attempted to verify this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investment decisions should not be based to an undue extent on such information. Industry sources and publications are also prepared based on information and estimates as of specific dates and may no longer be current. The data may have been re-classified by us for the purpose of presentation. The data used in this section has been sourced from the following:

- *Economic Survey of India*
- *Eleventh Five Year Plan*
- *Annual report 2008-09, Ministry of Power*
- *Annual Report 2007-08, Ministry of Petroleum*
- *Website of Jawaharlal Nehru National Urban Renewal Mission*
- *Union Budget 2009*
- *Website of Urban Infrastructure Development Scheme for Small and Medium Towns*
- *Website of African Water Facility*
- *Annual Report African Development Bank Group 2008*

Engineering & Construction (E&C) industry

The Engineering & Construction (E&C) industry is a key driver of the country's infrastructural and industrial growth. It operates mainly based on EPC contracts and consists of companies engaged in civil and mechanical engineering projects mainly in, Power, Oil & Gas, Water & Waste Water Treatment, Roads, Airports, Ports and Railways sectors.



Investment in Infrastructure

The fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation and urban and rural water supply and sanitation, all of which already suffer from a substantial deficit from the past in terms of capacities as well as efficiencies in the delivery of critical infrastructure services. The pattern of inclusive growth of the economy projected for the Eleventh Plan, with GDP growth averaging 9% per year can be achieved only if this infrastructure deficit can be overcome and adequate investment takes place to support higher growth and an improved quality of life for both urban and rural communities. *(Source: Eleventh Five Year Plan)*

The Eleventh Five Year Plan ("the Eleventh Plan") outlines a comprehensive programme for development of infrastructure, especially in rural areas, and in the remote and backward parts of the country, consistent with the requirements of inclusive growth at 9% per year. The total investment needed in the infrastructure sector, defined to include electricity (including non-conventional energy), roads, bridges and railways (includes Mass Rapid Transit System, MRTS), ports, airports, telecommunications, irrigation (including watershed development), water supply and sanitation, storage and gas distribution will have to increase from an estimated 5.43% of GDP in 2006–07 to 9.34% by the terminal year of the Eleventh Plan. *(Source: Eleventh Five Year Plan)*

The investment required by the Central and State Governments and the private sector in each of the ten major physical infrastructure sectors for sustaining a growth rate of 9% in GDP over the Eleventh Plan (2007–08 to 2011–12) amounts to Rs. 20,56,150 crore**.** This level of investment amounts to an average of 7.6% of GDP during the Eleventh Plan as a whole.

A comparative picture of the sector-specific allocations in the Tenth and Eleventh plan period is given below. Compared with investment levels achieved in the Tenth Plan period, the expected infrastructure investment in the Eleventh Plan is 2.36 times the amount of Rs. 8,71,445 crore or US$ 217.86 billion at constant 2006–07 price.

Sector-wise Investment Anticipated in the Tenth Plan and Projected for the Eleventh Plan

(Rs crore at 2006-07 price)

	Tenth Plan (Anticpated Investment)			Eleventh Plan (Projected Investment)		
Sectors	Rs. crore	US$billion @ Rs 40/$	Shares (%)	Rs crore	US$billion @ Rs 40/$	Shares (%)
Electricity (incl. NCE)	291850	72.96	33.49	666525	166.63	32.42
Roads and Bridges	144892	36.22	16.63	314152	78.54	15.28
Telecommunication	103365	25.84	11.86	258439	64.61	12.57
Railways (incl. MRTS)	119658	29.91	13.73	261808	65.45	12.73
Irrigation (incl. Watershed)	111503	27.88	12.80	253301	63.32	12.32
Water Supply and Santition	64803	16.20	7.44	143730	35.93	6.99
Ports	14071	3.52	1.61	87995	22.00	4.28
Airports	6771	1.69	0.78	30968	7.74	1.51
Storage	4819	1.20	0.55	22378	5.59	1.09
Gas	9713	2.43	1.11	16855	4.21	0.82
Total (Rs crore)	871445	217.86	100.00	2056150	514.04	100.00

(Source: Annual Plans and other Planning Commission documents and CSO, Eleventh Five Year Plan)

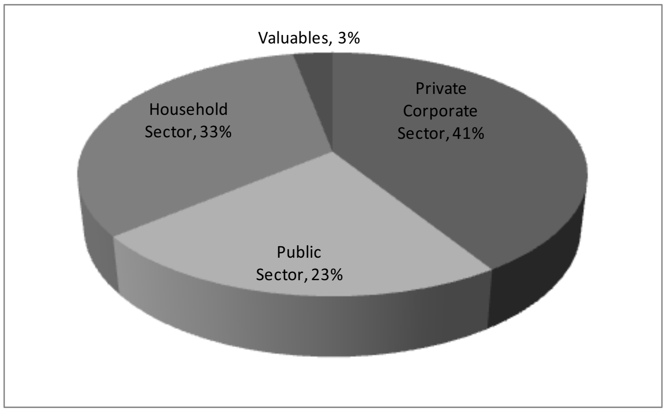
The required investment in infrastructure would be possible only if there is a substantial expansion in internal generation and extra-budgetary resources of the public sector, in addition to a significant rise in private investment. Public Private Partnerships (PPP) projects typically involve transfer or lease of public assets, delegation of government authority for recovery of user charges, operation and/or control of public utilities/services in a monopolistic environment and sharing of risk and contingent liabilities by the government.

Investment by the private sector, which includes PPP projects, makes up the balance of Rs 619591 crore, which is 30% of the required investment during the Eleventh Plan a much higher share than the anticipated 20% during the Tenth Plan. *(Source: Eleventh Five Year Plan)*

Industrial growth

A notable feature of the growth of the Indian economy from 2002-03 has been the rising trend in the gross domestic capital formation (GDCF). Gross capital formation (GCF), which was 25.2 per cent of the GDP in 2002-03, increased to 39.1 per cent in 2007-08. Much of this increase is attributable to a rise in the rate of investment by the corporate sector. The rise in the rate of investment has been on account of various factors, the most important being the transformation in the investment climate, coupled with an optimistic outlook for the growth prospects for the Indian economy.

The gross capital formation (adjusted) as a percentage of GDP steadily moved up from 27.6 per cent in 2003-04 to 39.1 per cent of GDP in 2007-08. There has been an increase in the rate of investment in both the public and private sectors. For the public sector, the gross investment rate rose from 6.3 per cent in 2003-04 to 9.1 per cent in 2007-08 and for the private sector from 19.6 per cent in 2003.-04 to 28.5 per cent in 2007-08. Within the private sector, the share of the household sector has remained at the same level. However, the share of the corporate sector steadily increased to touch 15.9 per cent of GDP in 2007-08. The sectoral composition of gross domestic capital formation is shown in the figure below:



It is also pertinent to note that the overall increase in investment has come about mainly from a rise in the rate of gross fixed investment. Gross fixed investment which was 25.0 per cent of GDP in 2003-04 increased to 34.0 per cent in 2007-08. *(Source: Economic Survey of India 2008-09)*

- **Power**

The Power Industry in India has been historically categorized by energy shortages which have been increasing over the years. In the period June 2009, peak energy deficit was estimated to be at 13.8%. The following table sets forth the peak shortages of power in India from 2003 to May 2009.

Period	Peak Demand (MW)	Peak Met (MW)	Peak Deficit/ Surplus (MW)	Peak Deficit/ Surplus (%)	Energy Requi-rment (MU)	Energy Avail-ability (MU)	Energy Deficit/ Surplus (MU)	Energy Deficit/ Surplus (%)
9TH PLAN END	78441	69189	-9252	-11.8	522537	483350	-39187	-7.5
2002-03	81492	71547	-9945	-12.2	545983	497890	-48093	-8.8
2003-04	84574	75066	-9508	-11.2	559264	519398	-39866	-7.1
2004-05	87906	77652	-10254	-11.7	591373	548115	-43258	-7.3
2005-06	93255	81792	-11463	-12.3	631757	578819	-52938	-8.4
2006-07	100715	86818	-13897	-13.8	690587	624495	-66092	-9.6
2007-08	108866	90793	-18073	-16.6	739345	666007	-73338	-9.9
2008-09	109809	96685	-13124	-12.0	774324	689021	-85303	-11.0
APR-JUNE 09	111066	97355	-13711	-12.3	202238	182412	-19826	-9.8
JUNE 09	111066	95722	-15344	-13.8	65775	59558	-6217	-9.5

According to the 17th Electric Power Survey, India's peak demand will reach approximately 152,746 MW with an energy requirement of 968 bn units by the fiscal year 2012. *(Source: Power Scenario at a glance July, 2009)*

The National Electricity Policy (NEP) stipulates power for all and annual per capita consumption of electricity to rise to 1000 units by 2012. This entails provision of adequate reliable power, at affordable cost with access to all citizens. Electricity is in the Concurrent List in the Constitution and the primary responsibility of structuring its availability and distribution is that of the States. However, both the Centre and the States have to play a decisive and positive role. While shortages are presently being experienced by each region, it is much more acute in the case of some regions/States. *(Source: Annual report 2008-09, Ministry of Power)*

The all India installed power generation capacity as on 31.03.2009 was 147965 MW comprising of 93725 MW thermal, 36878 MW hydro, 4120 MW nuclear and 13242 MW R.E.S. The Central Sector's share in generation has gradually increased from 12% in 1979 to 33% as on 31.3.2009. On the other hand the share of the State Sector has declined from 82.5% to 51% while the share of Private Sector has gone up from 5.2% to 16% during the same period. *(Source: Annual report 2008-09, Ministry of Power)*

The gross electricity requirement by the end of the Eleventh Plan projected by the Working Group on power is 1038 Billion Unit (BU) and peak demand estimated is 151000 MW, whereas the EC on Integrated Energy Policy has projected the gross electricity requirement of 1097 BU and peak demand of 158000 MW. To fulfill the estimated electricity requirement, the Working Group recommended the capacity addition programme initially of 78530 MW and updated at 78577 MW during the Eleventh Plan.

The model-wise capacity is depicted below:

Sector-wise, Mode-wise Capacity Addition during the Eleventh Plan

(in MW)

	Source	Central	State	Private	Total
1	Hydro	9685	3605	3263	16553
2	Thermal	26800	24347	7497	58644
3	Nuclear	3380	0	0	3380
	Total	39865	27952	10760	78577

Note: At the time of going to press on 8 May, 2008, the mix of Thermal / Hydro has undergone some changes
(Source: CEA / Planning Commission, Eleventh Five Year Plan)

The cumulative generation capacity in the Country by the end of 2011-12 is tabled below:

Generating Capacity Anticipated at the End of the Eleventh Plan

(in MW)

	Hydro	Thermal	Nuclear	Wind and Renewables	Total
Installed capacity as on 31 March 2007	34653.77	86014.84	3900.00	7760.60	132329.21
Addition during Eleventh Plan	16553.00	58644.00	3380.00	14000.00	92577.00
Total capacity anticipated as on 31 March 2012	51206.77	144658.84	7280.00	21760.60	224906.21

(Source: Planning Commission, Eleventh Five Year Plan)

➢ **Nuclear Power**

Nuclear power currently accounts for 2.8% of India's generation capacity, with an installed capacity of 4,120 MW as of May 31, 2009. However, given projected exponential growth in energy demand, finite availability of coal, oil, and gas, and the Indo-US nuclear deal, government is beginning once again to promote the development of nuclear energy. Further, in view of atomic energy's environmental advantages and its probable longer term cost efficiency, the government has targeted an approximate 80% increase in nuclear power generation capacity by the end of the 11^{th} plan over current capacity. (*Source: Annual Report NPCIL 2008-09)*

➢ **Electrical Distribution**

T&D losses in India continue to be among the highest in the world and are the main concern in the development of power sector. The reported all-India average T&D losses increased from 19.8% in 1992–93 to 33.98% at the beginning of the Tenth Plan. There is a wide variation in the losses reported by different States. T&D losses for the country as a whole are estimated to be in the range of 35%–45%. As T&D losses figures did not capture the gap between the billing and the collection, the concept of AT&C loss was introduced in 2001–02 to capture the total performance of the utility. The AT&C losses are presently in the range of 18% to 62% in various States. The average AT&C loss in the country is about 40%. There is wide variation of losses among the States and variation among the distribution companies within the States. The major portion of losses is due to theft and pilferage, which is estimated at about Rs 20000 crore annually as per the Economic Survey 2006–07.More than 75%–80% of the total technical loss and almost the entire commercial loss occur at the distribution stage. *(Source: Eleventh Five Year Plan)*

Accelerated Power Development and Reforms Programme

The Ministry of Power took various initiatives towards reforms and other policy measures for helping the state power Utilities to bring improvement in their efficiency towards bringing about commercial viability in the power sector.

The Accelerated Power Development & Reform Programme (APDRP) was launched in 2002-03, states for strengthening and up gradation of sub-transmission and distribution systems of high-density load centres like towns and industrial areas. The main objective of the programme were to reduce Aggregate Technical & Commercial (AT&C) loss, reduction of commercial loss and improvement in the quality and reliability of supply.

AT&C losses have been bought down below 20% in 215 APDRP towns in the country of which 163 towns have been brought below 15%.

The billing efficiency at national level has improved from 68.37% during 2002-03 to 71.04 during 2006-07. The national average collection efficiency has also improved from 92.68% during 2002-03 to 94.20% during 2006-07. With this improvement in billing and collection efficiency, the national average AT&C loss of the distribution companies has reduced from 36.63% to 33.07%. The overall commercial loss (without subsidy) of the utilities reduced from Rs. 29,331 Crore during 2001-02 to Rs. 27,446 Crore during 2006-07. *(Source: Annual Report 2008-09, Ministry of Power)*

- **Rural Electrifications**

Rural electrification has been regarded as a vital programme for the development of rural areas. In 1947, only 1500 villages were electrified in India. The per capita consumption was 14 units. The initial focus was on 'electrification for irrigation' to enhance agricultural produce which was reflected in the definition of village electrification accepted till 1997 - that "a village was deemed to be electrified if electricity is being used within its revenue area for any purpose whatsoever". This definition of village electrification was reviewed in consultation with the State Governments and State Electricity Boards and following new definition was adopted after 1997:"A village will be deemed to be electrified if-electricity is used in the inhabited locality within the revenue boundary of the village for any purpose whatsoever. In February, 2004, the definition was made even more encompassing as also target specific. "A village would be declared electrified if:

I. Basic infrastructure such as distribution transformer and distribution lines are provided-in the inhabited locality as well as the dalit basti/ hamlet where it exists. (For electrification through Non-conventional Energy Sources a distribution transformer may not be necessary).

II. Electricity is provided to public places like schools, panchayat offices, health centres, dispensaries, community centres, etc. and

III. The number of households electrified should be at least 10% of the total number of households in the village.

Government of India had launched the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) for electrification of rural areas in the country. *(Source: Annual Report 2008-09, Ministry of Power)*

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

This Scheme of Rural Electricity Infrastructure and Household Electrification has been introduced in April, 2005 for achieving the National Common Minimum Programme objective of providing access to electricity to all Rural Households over a period of four years. Rural Electrification Corporation (REC) is the nodal agency for the programme. Under this scheme 90% Capital Subsidy will be provided for rural -electrification infrastructure through: -

I. Creation of Rural Electricity Distribution Backbone (REDB) with one 33/11 kV (or 66/11 kV) substation in every block where it does not exist.

II. Creation of Village Electricity Infrastructure (VEl) for electrification of all un-electrified villages/habitations and provision of distribution transformer(s) of appropriate capacity in every village/habitation.

III. Decentralized Distributed Generation (DDG) and Supply System from conventional sources for Villages/Habitations where grid supply is not cost effective and where Ministry of Non-Conventional Energy Sources would not be providing electricity through their programme(s).

Balance 10% will be loan assistance on soft terms by REC. The scheme, inter-alia, provides for funding of electrification of all un-electrified Below Poverty Line (BPL) households with 100% capital subsidy. The scheme aims at electrifying all un-electrified villages over a period of four years and provide access to electricity to all rural households. The continuation of RGGVY has been approved by the Government in the XI Plan for attaining the goal of providing access to electricity to all households, electrification of about 1.15 lakh un-electrified villages and electricity connections to 2.34 crore BPL households. The approval has been accorded for capital subsidy of Rs. 28,000 crore during XI Plan period, at this stage.

There is a provision of subsidy of Rs. 540 crore for DDG during XI Plan period which is included in capital subsidy of Rs. 28000 crore available for RGGVY in XI Plan period. The guidelines on DDG has been finalized and an order in this regard has been issued on 12.1.2009. *(Source: Annual Report 2008-09, Ministry of Power)*

Private Sector Participation in the Power Sector

Ministry of Power recognizes the fact that private investors have important role to play in the power sector growth map of India. The stipulation under section 63 of Electricity Act 2003 has provided impetus to the participation of private sector in Generation and Transmission. Provision of open access and tariff framework under Tariff Policy has been put in place to create an enabling environment for the private investors.

To accelerate capacity addition several policy initiatives have been undertaken by Ministry of Power. Some of the prominent policies which have boosted the private player's confidence in the sector are:

- National Electricity Policy.
- Ultra Mega Power Project Policy.
- Mega Power Policy.
- Tariff Policy.

In addition, Automatic approval (RBI route) for 100% foreign equity is permitted in generation, transmission, and distribution and trading in power sector without any upper ceiling on the quantum of investment. Also, an Inter-Institutional Group comprising senior representatives from the financial institutions and the Ministry of Power has been set up for facilitating early financial closure of private power projects. This Group has been focusing closely on projects which could achieve early financial closure. *(Source: Annual report 2008-09, Ministry of Power)*

➢ **Oil & Gas**

The Eleventh Plan envisages bringing more and more acreage under exploration especially those in the frontier areas/basins, adoption of state-of-the-art Exploration and Production (E&P) technology, faster development of discovered reserves, development of marginal fields, and continuation of Enhanced Oil Recovery /Improved Oil Recovery schemes. These efforts would lead to a projected total crude oil production of 206.76 million tonnes against the actual production of 166.56 million tonnes during the Tenth Plan. Similarly, the projected gas production will be 255.76 bcm against the Tenth Plan production of 159.06 bcm. *(Source: Eleventh Five Year Plan)*

The Tenth Five Year Plan (2002-2007) outlay for the Oil & Gas sector had been fixed at Rs.1,03,656.00 crore, against which the actual expenditure has been Rs.1,14,461.27 crore, which is 110.42% of the allocated outlay. The Eleventh Five Year Plan (2007-2012) outlay for the Oil & Gas sector has been fixed at Rs.2,29,072.60 crore, which is about 121% more than the Tenth Plan allocation. The Budget Estimate for the year 2008-09 has been proposed at Rs.48,031.26 crore. These outlays will be met from the internal and extra budgetary resources of the Public Sector Undertakings. *(Source: Annual Report 2007-08, Ministry of Petroleum)*

New Exploration Licensing Policy (NELP)

Since operationalizing the NELP in 1999, in seven rounds of NELP, 203 Production Sharing Contract (PSC) have been signed, thereby increasing the area under exploration more than four times. In the recently concluded NELP-VII, 181 bids were received from 95 companies including 21 foreign companies. Under NELP, 68 oil and gas discoveries have been made by private/joint venture (JV) companies in 19 blocks, which have added more than 600 MMT of oil equivalent hydrocarbon reserves. As on April 1, 2009, investment commitment under NELP is about US$ 10 billion on exploration, against which actual expenditure so far under NELP is about US$ 4.7 billion. In addition, US$ 5.2 billion investment has been made on development of discoveries. *(Source: Economic Survey of India 2008-09)*

- **Water & Wastewater Treatment**

India with 2.4% of the world's total area has 16% of the world's population; but has only 4% of the total available fresh water. This clearly indicates the need for water resource development, conservation, and optimum use.

The water resource potential of the country has been estimated at 1869 billion cubic metre (bcm) which includes replenishable groundwater which gets charged on annual basis. *(Source: Eleventh Five Year Plan)* Within the limitations of physiographic conditions, socio-political environment, legal and constitutional constraints, and the technology available at hand, the utilizable water resources of the country have been assessed at 1123 bcm, of which 690 bcm is from surface water and 433 bcm from groundwater sources. *(Source: Eleventh Five Year Plan)*

Water demand in India

Sustainable development and efficient management of water is an increasingly complex challenge in India. Increasing population, growing urbanization, and rapid industrialization combined with the need for raising agricultural production generates competing claims for water.

While the total water resource availability in the country remains constant, the per capita availability of water has been steadily declining since 1951 due to population growth.

Drinking water is less than 1% of the total water demand and should have the first priority among all uses of water.

The requirement of water for various sectors has been assessed by the National Commission on Integrated Water Resources Development in the year 2000 as detailed below:

Water Requirement for Various Sectors

Sector	Water Demand in Km (or bcm)					
	Standing Sub-Committee of MoWR			NCTWRD		
	2010	2025	2050	2010	2025	2050
Irrigation	688	910	1072	557	611	807
Drinking water	56	73	102	43	62	111
Industry	12	23	63	37	67	81
Energy	5	15	130	19	33	70
Others	52	72	80	54	70	111
Total	813	1093	1447	710	843	1180

(Source: Eleventh Five Year Plan)

Lack of Infrastructure in Water Sector

According to Census 1991, 55.54% of the rural population had access to an improved water source. As on 1 April 2007, the Department of Drinking Water Supply's figures show that out of a total of 1507349 rural habitations in the country, 74.39% (1121366 habitations) are fully covered and 14.64% (220165 habitations) are partially covered.

Water supply in urban areas is also far from satisfactory. Average access to drinking water is highest in class I towns (73%), followed by class II towns (63%), class III towns (61%), and other towns (58%)

Percantage of Population Covered with Water Supply Facilities

Year	Urban Population (million)	Percentage of Population Covered with Water Supply
1981	152	78
1991	217	84
2001	285	89
2004	308 (projected)	91

(Source: Eleventh Five Year Plan)

The coverage of urban population with water supply facilities in the past had not been very impressive, due to various reasons, including the fact that the investment made in the urban water supply sector had been inadequate. The estimated outlay for the Tenth Plan period, was only Rs. 18,749 crore in the State sector, and Rs. 900 crore in Central sector making a total outlay of Rs. 19,649 crore only.

Investments by the government

Rural: Improvement in rural infrastructure is crucial for broad-based inclusive growth of the economy and for bridging the rural urban divide. It is estimated that out of the total projected investment of Rs 1436559 crore to be incurred by the Centre and the states in the Eleventh Plan, Rs 435349 crore (or 30.3%) would be spent exclusively towards improvement of rural infrastructure. The distribution across sectors is indicated below:

Projected Investment in Rural Infrastructure

(Rs crore at 2006-07 price)

Sector	Projected Investment
Electricity	34000
Rural Roads	41347
Telecommuniacations	16000
Irrigation (incl Watershed)	253301
Water Supply and Sanitation	90701
Total	435349

(Source: Computations of the Planning Commission)

Urban: With a view to provide 100% water supply accessibility to the entire urban population by the end of the Eleventh Plan in 2012, it has been estimated that Rs 53,666 crore is required. With a view to provide reform-linked infrastructure facilities in the urban areas, the GoI has launched a new programm viz.

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) –

JNNURM is envisaged for implementation over a seven-year period starting from 2005 to 2012 with a tentative outlay of Rs. 1,00,000 crore, which includes contribution of Rs. 50,000 crore to be made by the States and ULBs. Water supply and sanitation is accorded priority under the programme and is likely to receive 40% of plan funds**.**

Consistent with the policies of the present government, the Prime Minister of India launched JNNURM on 3 December 2005 to give focused attention to integrated development of urban infrastructure and services in select 63 cities with emphasis on provision of basic services to the urban poor, including housing, water supply, sanitation, road network, urban transport, development of inner (old) city areas, etc. A provision of Rs. 50000 crore has been made as reform-linked Central assistance over the Mission period of seven years beginning from 2005–06. The provision of Central assistance is linked to the implementation of certain mandatory as well as optional reforms at the State and ULB/parastatal levels during the Mission period. Against the allocation of Rs. 4900 crore for 2006–07, an amount of Rs. 3906 crore was released. In 2007–08, an amount of Rs. 5500 crore has been allocated. Subsequently, additional Rs. 500 crore was allocated in ‘Plan B’. *(Source: Eleventh Five Year Plan)*

JNNURM AT A GLANCE		
1	Number of cities under JNNURM	65
2	Number of City Development Plans (CDPs) appraised	64
3	Number of Memorandum of Agreements (MoAs) signed	62
4	Number of projects approved (Till 29.05.09)	467
5	Total approved project cost (For 467 projects)	Rs. 50339.92 crore
6	Number of projects for which ACA pending for release (1st instalment)	10
7	Number of States for which projects approved (Out of 31 States/UTs)	30
8	Number of Cities for which projects approved (Out of 65 cities)	61
9	Allocation for 7 Years (for UIG component)(ACA available as per original allocation)	Rs. 25500.00 crore
10	Total ACA committed (for 467 projects)(orginal allocation - Rs. 21529.76 crore), additional alocation - Rs. 2306.31 crore	Rs. 23856.07 crore
11	Balance ACA available from the original allocation	Rs. 3950.23 crore
12	Central Share (ACA) released for Projects (till 7-Aug-09)	Rs. 8463.91 crore
13	Grand Total of Central Share (ACA) Released Funds for Projects, Reimbursement cost of CDPs, Reimbursement cost of DPRs, CPF Fund and e-Governance	8475.88 crore
14	Number of PMUs approved	19
15	Number of PIUs approved	43
16	Number of IRMAs approved	13
17	Number of completed projects	38
18	Nmber of e-Governance projects approved	6

The sector-wise release of funds under Sub-Mission for Urban Infrastructure and Governance is as under:

Sector-wise release of funds under Sub-Mission for Urban Infrastructure and Governance							
							(Rupees in lakh)
Sl.No.	Sector	Number of projects sanctioned	% of projects sanctioned	Cost of projects sanctioned	% of cost of projects sanctioned	Funds released	% of Funds released
1	Drainage/Storm Water Drainage	62	12.97	786166.11	15.10	121193.35	12.48
2	Roads/Flyovers	76	15.90	351075.75	6.74	80315.80	8.27
3	Water Supply	143	29.92	1903682.36	36.57	385021.93	39.66
4	Sewerage	105	21.97	1314295.52	25.25	213231.28	21.96
5	Urban Renewal	10	2.09	46580.28	0.89	6309.37	0.65
6	Mass Rapid Transport System	20	4.18	477096.64	9.17	106822.60	11.00
7	Other Urban Transport	14	2.93	80588.01	1.55	13278.12	1.37
8	Solid Waste Management	40	8.37	218614.35	4.20	37477.37	3.86
9	Development of Heritage Areas	2	0.42	4923.08	0.09	3503.85	0.36
10	Preservation of Water Bodies	4	0.84	11670.54	0.22	1813.73	0.19
11	Parking	2	0.42	10642.43	0.20	1834.55	0.19
	Total	478	100	5205335.07	100	970801.95	100

(Source: http://jnnurm.nic.in/nurmudweb/Project/sector.pdf)

Further, as a reflection of its focus on improving the Urban Infrastructure, the Government, in the last Union Budget, allocation under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) stepped up by 87 per cent to Rs.12,887 crore in B.E. 2009-10 over B.E. 2008-09. *(Source: Union Budget)*

Private Sector Participation

Provision of water supply in urban areas is basically a responsibility of urban local bodies. The PPP efforts to attract financing of water supply projects are finding its place. PPP is important to leverage government investment and to access private sector management efficiencies. States are given additional financial support towards implementing reforms through schemes like JNNURM.

Tamil Nadu has emerged as forerunner in attracting PPP in urban water supply sector. At 42%, it is a highly urbanized State in the country. The State has already commissioned the 'Tirupur Water Supply and Sewerage project' at a cost of Rs 1023 crore. The cost per kilo litre of water at estimate stage is Rs 30, which is high due to recovery of the sewerage capital cost, operating expenses, and capital cost. The next project on PPP is 100 million litres per day (MLD) desalination project for Chennai Water Supply. *(Source: Eleventh Five Year Plan)*

Though privatization of water supply and sanitation sector could not make significant progress as of now, there is substantial potential and urgent need for the same in near future. It is felt that it would be easier and convenient to introduce privatization in new areas where the private companies will have a free hand to take up the task of planning, designing, execution, O&M, billing, and collection including tapping of raw water from the selected source either on Build Own Operate (BOO) or Build Own Operate Transfer (BOOT) basis. Few examples to infuse confidence in private entrepreneurs are—the successful award of Chennai service contract for O&M of 61 sewage pumping stations in the city, and of Rajkot and Surat contracting out a number of municipal services to private firms as well as community groups. *(Source: Eleventh Five Year Plan)*

International Market - Africa

Facilitating access to water and enabling economic growth in Africa requires the construction of a wide range of water infrastructure features, including irrigation systems, water treatment plants, distribution pipes and water monitoring processes. *(Source: http://www.africanwaterfacility.org)*

Various African bodies have taken different initiatives for undertaking water supply and sanitation improvement in Africa. Some of the initiatives are as follows:

I. Rural Water Supply and Sanitation Initiative (RWSSI): RWSSI is a African Development Bank Intervention, with the overall objective to extend safe water and basic sanitation coverage to 80% of rural dwellers by 2015 at an estimated cost of Rs 680 bn. The rural population served with a safe water supply through RWSSI increased from 1.2 mn in 2003 to 3.3 mn people by the end of June 2008, and those served with improved sanitation increased from 0.6mn to 1.7mn during the same period.

II. Multi-Donor Water Partnership Program (MDWPP): The MDWPP was established by ADB jointly with the Netherlands, Danish, and Canadian governments. The funds pledged as at the end December 2008 for the program amounted to Rs 630 mn.

III. African Water Facility (AWF): The AWF has been established to assist regional countries in meeting targets and goals set by African Water Vision and Millennium Development Goals (MDG). Through AWF intervention, water sector investments are increasing, helping improve access to water and sanitation in African countries. As at the end of December 2008, AWF has secured Rs 3.6 bn. The African Water Facility (AWF) is an initiative led by the African Ministers' Council on Water (AMCOW) to mobilize resources to finance water resources development activities and managed by the African Development Bank (AfDB) in Africa. The major objectives of the African Water Facility are to attract and make effective use of increased and appropriate investments needed to achieve national and regional water sector targets in Africa. Two broad areas of support have been defined in that regard: i) Improving the enabling environment to attract more investments; and ii) Direct capital investment for the purpose of triggering larger investment for sustainable development.

The target is to mobilize EURO 500 million to finance the activities foreseen in the 5 years Programme. *(Source: Annual Report African Development Bank Group 2008).*

- **Railways Infrastructure**

Indian Railways is often referred to as the lifeline of the Indian economy because of its predominance in transportation of bulk freight and long-distance passenger traffic. As the Indian economy moves into a higher growth trajectory, Indian Railways has also stepped up developmental efforts and is preparing itself for an even bigger role in the future.

Indian Railways is at the threshold of a major change at the beginning of the Eleventh Plan. The key challenge before it is not attracting additional traffic, but rather meeting the accelerating demand for high quality services imposed by a vibrant economy for which it has to take immediate and appropriate steps to augment capacity and deploy it optimally through new investment and tariff policies. The Railways also has to execute projects speedily and procure assets at a rapid pace by incorporating best practices in project implementation, production, and procurement of new assets.

The Railways has a large number of ongoing projects, which require very large funds for completion. The requirement of fund for completing these projects under various categories is as shown in Table 9.2.3. At current prices, the total throw forward would be around Rs 65000 crore. In comparison with the position at the beginning of Tenth Plan, the maximum increase has been in the areas of new lines and doubling.

Throw Forward of Projects

Type of Projects	**Estimated Throw Forward**	
	Km	Rs Crore
New Lines	8132	31519
Gauge conversion	7148	10417
Doubling	3213	7314
Electrification	1952	1080
Traffic facility works	325 (nos)	2044
Metropolitan transport projects	-	3820
Total		56194

Specific areas have to be thrown open for private sector participation, including those through PPPs. The PPPs are projected to contribute over 9% of the total required investment of around Rs 215000 crore in the Railways during the Eleventh Plan, a sharp increase from the 0.4% private sector share in the Tenth Plan.

The total projected outlay for the Eleventh Plan for the Ministry of Railways is Rs 194263 crore at 2006–07 price (Rs 219717.36 crore at current price) which includes Rs 44263 crore of GBS at 2006–07 price (Rs 50063.36 crore at current price) including Rs 3750 crore at 2006–07 price (Rs 4241.36 crore at current price) of cess accruals. In addition, the sector is expected to generate private sector investment of Rs 20000 crore during this period. *(Source: Eleventh Five Year Plan)*

OUR BUSINESS

Our Company is engaged in the business of providing Engineering Procurement and Construction (EPC) services, executing a wide range of Balance-of-Plant (BoP) and electro-mechanical projects on a complete turnkey basis. We provide our services to domestic and overseas markets across a number of industrial and infrastructure sectors which includes power, oil & gas, water & waste water treatment and other industrial & infrastructure sectors.

OVERVIEW

Our Company, incorporated in the year 1971, has evolved from a piping, valves and pressure vessels fabricator to an EPC company undertaking turnkey packages relating to low pressure piping systems, fuel oil handling systems & fire protection systems and eventually executing comprehensive electromechanical packages involving all engineering disciplines *viz.* mechanical, electrical, control and instrumentation, environmental and civil.

In the initial years, our Company largely targeted individual BoP packages required by customers in steel, metallurgical and power sectors and gradually evolved to undertake comprehensive turnkey projects in liquid waste & effluent treatment, raw & seawater intake systems & pumping stations, rural electrification works comprising transmission mains & distribution lines, rehabilitation and up gradation of city water & sewage treatment plants in the domestic and international market.

We manage our domestic and overseas operations from our Corporate Office at Faridabad, Haryana in the National Capital Region. To execute overseas projects, we have established offices in Ethiopia, Kenya and Fiji. We are an ISO 9001:2000 accredited company for "Engineering Procurement and Construction of Engineered Systems on Complete Turnkey basis in Core, Energy and Infrastructure Sector Projects".

Our Company provides EPC services for various BoP packages for power, oil & gas and other industrial and infrastructure undertakings. We also provide EPC services to the main plant for water & waste water treatment projects. Our Company has dealt with engineering consultants such as Development Consultants Private Limited (DCPL), Desein Private Limited, FITCHNER Consulting Engineers (India) Private Limited, Mecon, Tata Consulting Engineers, Engineers India Limited, M.N. Dastur, L&T, Sargent & Lundy, Uhde India Private Limited, Toyo Engineering India Limited, SAUR International, BCEOM France, etc. for its various EPC projects.

Our Company undertakes the following packages on a complete turnkey basis:

- **Industrial, Utility and Low Pressure Piping Systems**: Our scope of service includes the detailed engineering, procurement, fabrication, erection, testing and inspection, commissioning of the piping system along with all related civil/structural works for over-ground and underground piping supports like sleepers, pipe racks and bridges.

- **Fuel Oil, Unloading, Storage and Handling Systems**: Our scope of service includes design, engineering, manufacturing, works-based testing, shop painting, transportation packing, works loading, on-site reception and unloading, site storage, in-plant transportation, on-site fabrication and assembly, erection, commissioning and testing.

- **Fire Detection, Alarm and Protection Systems**: Our scope of service includes design, systems engineering, procurement, supply, erection, testing and commissioning of fire detection, alarm and protection systems. The systems encompass hydrants, automatic high and medium velocity water spray systems, gas extinguishing systems, intelligent alarm and control systems, etc.

- **Water, Wastewater and Effluent Treatment and Recycling Systems**: Our Company undertakes Water and Liquid Waste, Effluent Treatment & Recycling Systems, Sewage Treatment Plants to collect, treat and recycle raw water and effluent discharges. The Plants are designed, supplied, constructed, erected and commissioned on a turnkey basis, meeting applicable pollution control norms.

- **Tankages**: Our scope of service includes design & engineering, procurement, supply, erection, testing, and commissioning of Site Fabricated Bulk Storage Tanks for storing petroleum products and other liquids such as DM water, condensate water, etc. on a total turnkey basis.

- **Raw & Sea Water Intake Systems**: Our Company takes up the plant water intake system and associated cross country pipeline from river / sea to the plant including associated pumping station, civil works, maintenance roads on a complete turnkey basis.

- **Plant Electrification / Transmission & Distribution / Rural Electrification**: Our scope involves design and detailed engineering, sizing and specifications for procurement, installation, testing, commissioning of a variety of electrical and control items like HT & LT switchgear, control panels, transformers, metering, cabling and lighting along with associated civil works.

- **Renovation and Modernization of Coal Feeding Systems**: Our Company undertakes the retrofitting of existing volumetric coal feeding systems of power plants with microprocessor based gravimetric coal feeding systems sourced from a Company based in USA on a turnkey basis.

Generally the contracts awarded in our industry are by way of a competitive bidding process where various firms qualifying for the project present their bids. We bid for contracts awarded by way of a competitive bidding process either on standalone basis or through a joint venture depending on the technical and financial requirements and the size of the projects. We have entered into joint ventures for execution of projects with various companies including Gammon India Limited.

Our clientele includes PSUs and private / multinational companies (MNCs) in India and overseas which are in diverse sectors such as power, steel, cement, refineries, fertilizers, petrochemicals, ports / jetties, water services, etc. Some of our clients for which we have executed projects are mentioned below:

Segment	**Clients**
Conventional Power	NTPC, LANCO, DVC, Reliance Energy, BHEL, L & T, SEBs
Nuclear Power	NPCIL
Oil & Gas	TEMA Oil Refinery, GAIL, IOC
Water and Waste Water Treatment	NBCC, World Bank / ADB / AFDB - Aided projects
Industrial & Infrastructure Sectors	NALCO,SAIL, NMDC

The breakup of our income from various sectors for the past three (3) years i.e. FY 10, FY09 and FY08 is as given below:

Segment	**March 31, 2010**		**March 31, 2009**		**March 31, 2008**	
	(Rs. in Lakhs)	**(%)**	**(Rs. in Lakhs)**	**(%)**	**(Rs. in Lakhs)**	**(%)**
Conventional Power	4,962	25	3,342	22	3,032	37
Nuclear Power	5,424	27	2,625	18	0	0
Oil & Gas	92	1	1,884	13	4,459	55
Water & Waste Water Treatment	4,060	20	5,315	35	86	1
Industrial & Infrastructure Sectors	3,812	19	1,765	12	522	7
Electrical Distribution and Rural Electrification	1,687	8	0	0	0	0
Income from operations	**20,037**	**100**	**14,931**	**100**	**8,099**	**100**

Our income from operations for the year ended March 2010, 2009 and 2008 was Rs. 20037.02 lakhs, Rs. 14,930.57 lakhs and Rs. 8,099.46 lakhs respectively. Our PAT for the year ended March 2010, 2009 and 2008 was Rs. 1909.02 lakhs, Rs. 1,173.11 lakhs and Rs. 528.61 lakhs respectively. Our Company has substantially expanded both in service and project profile and also customer base with greater geographical presence.

Our revenue contribution from domestic and overseas market for last three (3) years is given below:

	March 31, 2010		**March 31, 2009**		**March 31, 2008**	
For the year / period ended	**(Rs. in Lakhs)**	**%**	**(Rs. in Lakhs)**	**%**	**(Rs. in Lakhs)**	**%**
Domestic	18,067	90	9,029	61	3,641	45
Overseas	1,970	10	5,902	39	4,458	55
Income from Operations	**20,037**	**100**	**14,931**	**100**	**8,099**	**100**

OUR STRENGTHS

We believe that the following strengths enable us to compete successfully:

Project execution capabilities

Our Company has been in the EPC business for the last thirty eight (38) years and has developed expertise in our line of operations which are characterized by our ability to minimize overheads, cost control and prevent overruns on project schedules along with strong skills in construction and contract management. This has contributed towards securing multiple orders received from customers like Lanco Infrastructure, BHEL, NPCIL, NTPC, amongst others. We have a track record in designing, manufacturing, procuring, constructing, commissioning, troubleshooting and servicing various systems and equipments. Each site is under the direct supervision of an experienced project manager which ensures effective control and prompt decision making.

Diversified business and capabilities

We believe that we have the requisite expertise and ability to offer our services for a range of BoP and other systems under one roof such as industrial & utility piping, fuel handling, fire detection, alarm & protection, water treatment, liquid waste & effluent treatment, raw / sea water intake, pumping stations and water transmission, plant electricals, switchyard, sub-stations, civil works, tankages, renovation and modernization of coal feeding systems etc. catering to various sectors like thermal (coal / gas) power, nuclear power, oil & gas, water & waste water, electrical distribution & rural electrification, minerals and metals, etc. The same skill set serving diverse systems and sectors, reduces our dependence on any one sector and also provides us the distinct advantage of executing multiple packages for a single project.

Cost competitiveness

We believe our strong in-house EPC and project management team helps us control the entire process. We control costs by eliminating unnecessary product features, procuring equipment and materials in cost efficient manner, optimizing logistics and maximizing labour efficiency.

Pre-qualification credentials

Pre-qualification is a basic requirement in our industry. It is necessary that bidder should have requisite qualification in terms of technical expertise, adequate capital, infrastructure, experienced manpower, value of projects executed in the past etc. Our track record of over thirty eight (38) years with 120 completed and 41 ongoing projects enables us to meet customers' prequalification requirement either independently or in association with joint-venture partners.

As on March 31, 2010, our Company had bid for forty one (41) projects amounting to approximately Rs. 220,000 lakhs. As per the information available to us we are the lowest bidder for five (5) projects amounting to approximately Rs. 40,000 lakhs.

Order Book

The total orders secured in each of the last three (3) financial years are as follows:

Year	Orders Secured (Rs. in Lakhs)
Fiscal year 2008	21,466
Fiscal year 2009	27,486
Fiscal year 2010	30,957

The Order Book of our Company as on March 31, 2010 stands at Rs. 53,374 lakhs and the segment wise details of work on hand is set out below:

(Rs. in Lakhs)

No.	Segment	No. of Projects	Project Value (Rs. in Lakhs)	Work on Hand (Rs. in Lakhs)
1.	Conventional Power	19	17,589	7,943
2.	Nuclear Power	4	13,153	5,705
3.	Water & Waste Water Treatment	5	17,067	7,595
4.	Electrical Distribution and Rural Electrification	2	5,366	3,681

No.	Segment	No. of Projects	Project Value (Rs. in Lakhs)	Work on Hand (Rs. in Lakhs)
5.	Industrial & Infrastructure Sectors	11	33,392	28,450
	Total	**41**	**86, 567**	**53,374**

Qualified and experienced team

We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. We have well-qualified employee base with sound managerial experience in each business segment. We are dedicated to the development of the expertise and know-how of our employees and continue to invest in them to ensure that they have the necessary training required to be successful in today's challenging environment.

Our management team is led by our Chairman & Managing Director, Mr. Avinash C. Gupta supported by the two Directors, Mr. Arjun Gupta and Mr. Nakul Gupta and our operations are being managed by well qualified project teams headed by experienced project managers. Many of our Key Managerial Personnel have been with our Company for several years and our attrition rate is low. As on March 31, 2010, we have 222 employees working in our Company of which 161 are managerial and technical and 61 are commercial and non technical employees.

Established Marketing Set-up

Our Company's strong marketing strengths evolve from a multi-pronged strategy. Multiple / repeat orders from existing customers and a thorough scanning of all opportunities particularly, projects financed by multilateral financing agencies are the key to our marketing approach. In electrical distribution and rural electrification, which we have recently entered into, we have dedicated personnel for development of this business segment to identify and pursue opportunities including tie ups for technology and pre-qualification. This has enabled us to create a strong order book which is well diversified sectorially and geographically.

BUSINESS STRATEGY

Our strategy is to continue to drive profitable growth by pursuing good prospects so that we can be cost competitive and obtain reasonable profit margins with an acceptable level of contractual risk. In order to achieve our aim, we intend to follow the key business strategies described below:

Continue to expand and enhance our operations in our existing business segments

- ***Power sector and other growth sectors***

We seek to further enhance our penetration in areas like power, nuclear power, oil & gas, water & waste water, electrical distribution & rural electrification sectors which are high growth areas. We intend to bid for turnkey contracts of larger value projects, deploy our resources more efficiently and improve operating margins. For certain large value projects, we also plan to enter into alliances with other experienced and qualified players in this industry.

We intend to further target specific businesses and industries where we believe there is high potential for growth and where we enjoy competitive advantage. We anticipate large investments in power sector especially in nuclear power where we have recently forayed into and foresee more opportunities.

- ***Water, Wastewater and Effluent Treatment and Recycling Systems***

In the water & waste water sector, the Ministry of Urban Development has set up a mission under the name Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for development of infrastructure services in cities. The main thrust of the mission is on infrastructure projects relating to water supply and sanitation, sewerage, solid waste management etc. We intend to focus on newer opportunities arising from JNNURM besides pursuing traditional opportunities in the power and industrial sectors.

To strengthen our credentials and capabilities for providing integrated services in the water sector particularly in specialized water & waste water treatment, we are exploring suitable tie ups for process technology and qualifications. We have recently entered into a MoU with an overseas company to jointly bid for reverse osmosis based sea water and brackish water desalination projects in India. We intend to become a single source supplier in the sphere of water and waste water treatment and recycling systems and are exploring for suitable tie-ups with other companies.

- ***Electrical Distribution and Rural Electrification Projects***

We intend to pursue projects in electrical distribution and rural electrification projects. Our Company has recently forayed into the electrical distribution / rural electrification sector to tap the opportunities available due to various rural electrification programs of the Government for which we have dedicated and experienced personnel in the business development / proposals and engineering departments to target rural electrification as well as industrial electrification projects. We have bagged two orders, one for rural electrification work under RGGVY scheme in West Bengal worth approx. Rs. 3,770 lakhs and the other for 132 KV grid substation along with 132KV/11KV power distribution substation & LT power Distribution Projects in Wonji Shoa Sugar Factory in Ethiopia. Considering the investments in this sector, our Company will continue to pursue similar opportunities in India and other developing nations in Africa and neighboring countries like Bangladesh, Nepal and Sri Lanka.

Further, to enable us to expand our activities in the electrical works segment, we have recently acquired RIDPL.RIDPL has become our wholly owned subsidiary pursuant to acquisition of Equity Shares. RIDPL is in the business of electrical works including lighting and erection of sub-stations on contractual basis. The experience and pre-qualification credentials of RIDPL would help us in securing orders for electrical distribution and rural electrification projects.

- ***Civil Projects***

Leveraging our skill sets developed while executing the civil portion of electro-mechanical projects, we bid for projects which involve entirely civil works. Our Company has recently secured a contract for a road project worth Rs. 10,332 lakhs. Apart from the road project, our Company is also executing projects in Nuclear Power Sector which involves substantial civil construction. We intend to pursue civil projects in various sectors.

- ***Tank Farms / POL Depots***

Leveraging on our experience in executing tankages and fuel oil handling systems in the power sector, we intend to explore opportunities for taking up projects of larger tankages for hydrocarbon and other sectors which are attracting major investments in all areas *viz.* upstream, refining, transportation and storages including POL depots & government initiated strategic storages, downstream & allied sectors like petrochemicals and fertilizers. We are exploring suitable strategy to enter into the segment of large floating roof & fixed roof crude, product storage tanks, double walled tanks, cryogenic storage tanks as well as process tanks used in the hydrometallurgical sector particularly in alumina and zinc industries.

To expand our presence by entering into Mechanical Electrical Plumbing (MEP) Works

We believe MEP business covering Heating Ventilation & Air Conditioning (HVAC) systems, plumbing, firefighting, mechanical & electric systems, Building Management Systems (BMS), automation and security is a good business opportunity. With a view to focus on this business, we have entered into an agreement with an overseas company to promote MEP business on an integrated basis in India and Africa (excluding North Africa).

To execute larger size of projects and comprehensive BOP Packages on a single source responsibility EPC basis

We are gradually moving up the value chain by targeting larger size assignments either independently or through joint ventures or MOUs. Having developed significant in-house expertise in important and major BoP packages such as fire protection systems, utility piping systems for compressed air, DM water, clarified water, ash water, auxiliary cooling water, condenser cooling water, fuel oil handling systems, raw / sea water intake works, and effluent treatment systems, we believe that we are well equipped to offer our services for the entire "Balance of Plant" covering all utilities and offsite packages of a typical power plant other than coal and ash handling systems.

Till Fiscal year 2006 the average job value was less than Rs. 1,000 lakhs with the largest single order being below Rs. 2,500 lakhs. This has increased to an average job value of approximately Rs. 2,000 lakhs by Fiscal Year 2010 with several jobs in the Rs. 4,000 – Rs. 6,000 lakhs range as against none of this size earlier.

Based on the experience gathered, we have bid for several 150 & 300 MW Open Cycle and 100 & 330 MW combined cycle gas based power plants coming up in the Rajasthan, North East and Bangladesh. The support provided includes complete back-up bid for all BoP systems on a total turnkey EPC basis covering fuel oil handling, piping & pumping, cooling tower, plant water system, plant electrification, switchyard, sub-station, auxiliary transformers, fuel gas systems, fire protection systems, complete civil and plant erection works.

We continue to focus on securing larger value jobs and to pursue similar BoP opportunities on a complete turnkey EPC basis for conventional coal and gas based mid size power plants in India and overseas.

Focus on International opportunities

In pursuing our strategies, we seek to identify additional markets where we believe we can provide cost and operational advantages to our clients and distinguish ourselves from other competitors. We believe that there are substantial opportunities in Asia Pacific, West and South East Asia and Africa. Our focus is on infrastructure and urban development projects particularly the water and waste water sector. The projects we aim at are likely to be subject of developmental finance say from multilateral development banks/agencies. To further exploit the potential for growth in international markets we have setup our offices in Ethiopia, Kenya and Fiji. A competitive cost of equipment as well as human resources in India gives us an additional advantage to compete with international companies.

Our Company is currently executing overseas projects in Ethiopia, Kenya and Fiji. In recent years our Company has bid for several international contracts. Business secured overseas is usually of larger size. Foreign orders secured in the last few years have had an average value of approximately Rs. 4,900 lakhs.

Leverage our skills in Railway / Transport Infrastructure sector

Keeping in line with our business diversification efforts in executing projects in different sectors, our Company has recently set up a strategic business unit that will focus on seeking business opportunities in railways related construction activity, specifically, civil engineering & construction including track laying, signalling and electrification works, setting up of new workshops and production units, modernization of existing ones, setting up of cold chain cargo centers, etc., Initially, we intend to foray in this line of business by way of suitable tie-ups with established players in the niche areas and simultaneously developing in-house capabilities.

WEAKNESSES AND THREATS

Pre Qualification

Pre qualification requirements, both technical and financial, are determined by the customer and vary from customer to customer. In certain cases there are very stringent requirements for qualifications, as a result of which, we may not able to qualify. In such cases either we appropriately tie up with suitable partners to ensure meeting the pre qualification requirement, if permitted by the customer, or refrains from bidding.

Inadequate in-house domain expertise in newer areas

Diversification into newer areas can be hampered by inadequate expertise in the concerned domain. Our Company is dependent on external consultants for such domain expertise.

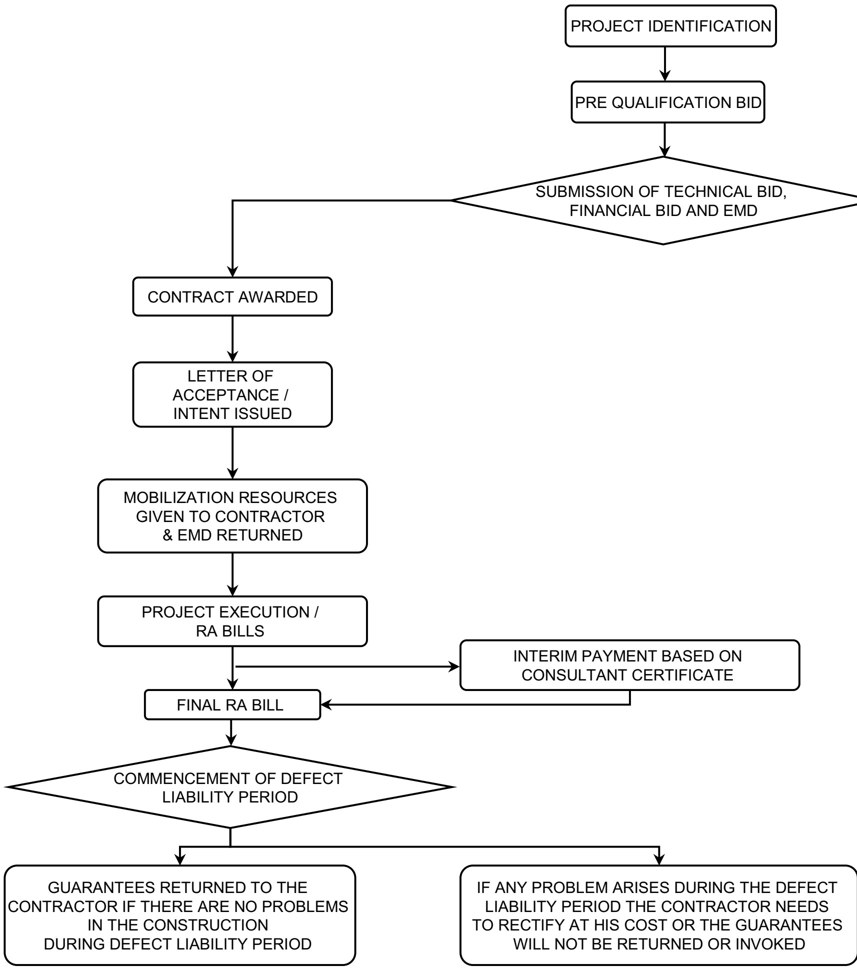
Difficulties in recruitment of appropriate manpower

Being a mid size organisation in the EPC space, recruitment of the desired manpower is a challenge considering the fact that larger and reputed players in this segment are in a better position to attract the talent available in the market.

OUR BUSINESS

Typical Project Cycle

Projects are awarded to us through competitive bidding process in which clients invite bids from technically and financially qualified parties. After confirming qualifications, customers award such packages to the lowest price bid. Further, after bidding process, the customers in the private sectors also give us orders through negotiations for their new projects.



Project Identification

Our business development team regularly identifies projects and generates enquiries through project tracking, public tender notices, internet, news items, etc. Government and other clients typically advertise potential projects in leading national newspapers or on their websites.

Pre-qualification Bid

A potential client invites bids which is evaluated by our business development department based on our pre-qualification and also with regards to client's reputation, financial strength, risk related to project, our current and projected workload, the likelihood of additional work, project cost and profitability estimates and our competitive advantage relative to other likely bidders.

Bid submission

Once we have identified projects, we submit the pre-qualification bid to the potential client either independently or through Joint Ventures. These Joint Ventures can be either project specific or through Memorandum of Understandings. Project specific joint venture agreements are typically terminated in the event that the project is not awarded. Whereas periodic MoUs get terminated after a pre-determined time. In case we pre-qualify either independently or through JVs / MoUs, we bid for the contract by submitting a technical and financial bid. We are usually required to furnish an EMD/bid security along with the bid application.

Usually, we enter into joint ventures with third parties to combine technical & financial resources to enable us to successfully bid for larger projects. The joint venture agreements set forth the terms and conditions governing the relationship between our Company and our joint venture partner(s). The joint venture agreement provides that the parties have joint and several responsibilities for the execution of the contract. The financial responsibility and participation of each party with respect to planning, arrangement of equipment, man & material and execution of works is prescribed in the agreement. The joint venture operates under the instructions of a management committee formed by all JV partner(s).

Award of contract

The client issues the Letter of Acceptance and enters into an agreement with contractors to whom the project is awarded. Generally, the contract is awarded to the lowest bidder. On signing the contract, the client returns the EMD/bid security deposited by the contractor. The contractor is usually required to provide a performance guarantee.

Commencement of work

On commencement of work the client releases the mobilization advance as per the agreement. We prepare a project cost sheet, detailed execution plan and detailed resource plan. We provide engineering services, if any, required by the client.

Usually, the client supplies conceptual information / basic design pertaining to the project and spells out the project requirements and specifications. We are required to perform detailed engineering based on conceptual requirements / basic design provided by the clients. We prepare a detailed work sheet regarding the requirement of man, material and equipments for a particular project. Our purchase department procures and supplies all the requirements.

Completion of project

This is the final stage where we implement all project completion activities to the satisfaction of the client. The amount of payment for completed work depends on the certification of the work by a consultant appointed by the principal client. At the time of payment, the client retains a percentage of the bill amount as retention money as per the terms of the agreement. The client releases the retention money against a bank guarantee. Generally the bid document specifies penalties for delay in completion and also provides incentives for early completion of the project by / to the contractor.

Return / Invocation of guarantees

Each agreement stipulates a "Defect Liability Period" on completion of the project, wherein it is agreed between both the parties, that the contractor shall rectify any defect during this period at his cost. In case the contractor fails to do so, the client can invoke the performance guarantee / the bank guarantee for retention money towards these costs. The performance guarantee / bank guarantee for retention money is returned to the contractor at the end of the defects liability period.

DESCRIPTION OF BUSINESS ACTIVITIES

Business Operations

We provide EPC services for various BoP packages for power, oil & gas and other industrial infrastructure undertakings. We also provide EPC services to the main plant for water & waste water treatment projects. The scope of each project can vary from client to client. The basic conceptualization and design is usually done by the client's consultant and generally our scope of work includes:

- Detailed Engineering
- Procurement and supply of all equipment and materials
- Construction, fabrication, erection and installation of equipment at site
- Testing and commissioning

1. Industrial, Utility and Low Pressure Piping Systems

Our Company has a track record in executing projects involving intricate piping systems for the following:

- clarified water
- compressed and instrument air
- raw, cooling, portable, sea and DM water
- lube oil, LDO, fuel oil, fuel gas and other oils
- condensate water
- boiler feed re-circulation
- nitrogen, steam, argon and oxygen piping

The scope of work in executing such projects involves detailed engineering, procurement, fabrication, erection, testing and inspection, cleaning, primer application, painting and commissioning of the piping systems along with all related civil/structural works for over-ground and underground piping supports. These find application in the process, power and industrial sectors.

2. Fuel Oil, Unloading, Storage and Handling Systems

Fuel Oil systems are used in power plants and in many other industries that have their own captive generation. Our Company provides turnkey execution of such fuel oil systems involving unloading of oil *viz.* Low Sulfur Heavy Stock (LSHS), Heavy Fuel Oil (HFO) and Light Diesel Oil (LDO), etc. Our Company offers comprehensive services from rail & road tankers unloading, pumping, storage, heating and supply to boiler burner fronts through heating and pressuring systems.

Our scope of work includes design, engineering, manufacture, works-based testing, shop painting, transportation packing, works loading, on-site reception and unloading, site storage, in-plant transportation, on-site fabrication and assembly, erection, commissioning and testing.

3. Fire Detection, Alarm and Protection Systems

We have a domain expertise in designing and setting up fire protection systems for applications in power plants, hydrocarbon plants and other industries. Our Company provides turnkey delivery and installation of plant fire protection systems from "concept to commissioning". Our fire detection, alarm and protection system is a centralized, computerized analogue addressable system that includes a central monitoring station located in a central control room. The design is compliant with National Fire Protection Association (NFPA) standards. The system provides fire detection cover in several areas including the switchyard, transformer yard, coal and lignite handling systems, the ash handling plant, CWPH, DG House, DM plant and PT plant.

Our scope of work involved in the fire protection system includes design, systems engineering procurement, supply, erection, testing and commissioning of fire alarm and protection systems. The systems encompass hydrants, automatic high and medium velocity water spray systems, gas extinguishing systems, alarm and control panels, etc. Compliance with TAC manuals, NFPA codes and other relevant standards is ensured as required.

4. Water, Wastewater and Effluent Treatment and Recycling Systems

Our Company designs water and waste water handling and treatment plants.

Our scope of work includes design, supplies, construction, erection and commissioning on a total turnkey basis. Systems include removal of suspend solids using lamella & reactor type clarifiers, clari-flocculators, gravity & pressure sand filters, removal of dissolved solids using chemical treatment, membrane based technologies including nano-filteration, reverse osmosis, electro dialysis, reduction of BOD and COD levels using extended aeration, advance oxidation techniques, etc. including all piping, pumping, mechanical, electrical, control and instrumentation and civil works.

5. Tankages

Our experience in Fuel Oil Handling Systems enables our Company to undertake turnkey supply of site fabricated tankages.

Our scope of service includes design & engineering, procurement, supply, erection, testing, and commissioning of bulk storage tanks, both fixed and floating roof for storing petroleum products such as LSHS, HFO, LDO and other liquids such as DM water, condensate water etc., both vertical cylindrical and horizontal cylindrical as per Indian and International Codes and Standards such as API / BS / DIN/ IS etc. on a complete turnkey basis.

6. Raw & Sea Water Intake Systems

Our Company undertakes construction of raw & sea water intake systems and associated piping & pumping station.

Our scope includes turnkey design and engineering, supply, erection, testing and commissioning of raw water intake system and associated long distance pipelines, covering water intake facility, either a well sunk on the river bed or intake channel, pump house, pumping machinery with drive motor, pump control panels or PLC, motor control centre both LT and HT, power distribution system including 33 KV / 11 KV substation including breakers and transformers, emergency power supply system, water transmission pipelines, approach and maintenance roads etc.

The scope of work invariably includes design of intake sump (usually on the basis of modelling studies) for the water intake bay as well as surge and water hammer analysis for the transmission pipeline with the installation of surge protectors such as Surge Vessels, Zero Velocity Valves, and Kinetic Air Valves etc. Depending upon the terrain, booster pumping stations are also provided for taking water to the high point and subsequent pressure breaking tanks for bringing down the pressure, for water distribution.

7. Plant Electrification / Transmission & Distribution / Rural Electrification

Our Company has recently entered into the electrical distribution / rural electrification activity.

Our scope involves design and detailed engineering sizing and specifications for procurement, installation and testing and commissioning of a variety of electrical and control items like HT and LT switchgear, control panels, transformers, metering, cabling and lighting along with associated civil works.

8. Renovation and Modernization of Coal Feeding Systems

Our Company undertakes the retrofitting of existing volumetric coal feeding systems of power plants with microprocessor based gravimetric coal feeding systems on a turnkey basis.

The scope of work involves complete replacement of existing bunker-to-pulverizer volumetric (rotary or drag chain) raw coal feeders with gravimetric raw coal feeders sourced from a Company based in USA on a complete turnkey basis comprising bunker outlet / feeder inlet valves, down spouts, couplings, microprocessor based feeder control systems, variable frequency drives, acoustic flow monitors, maintenance platforms, necessary electrical and mechanical hardware and civil works to complete the system between the bunker outlet and pulverizer inlet.

Order Book

Details of projects on hand as on March 31, 2010 are given below:

Sr. No.	Client	Project Details	Project Value (Rs. in Lakhs)	Work on Hand (Rs. in Lakhs)
CONVENTIONAL POWER				
1.	Lanco Infratech Limited	Fuel Oil Unloading, Storage and Forwarding System basis for 2 x 600 MW Anpara-C Thermal Power Project, Anpara, Uttar Pradesh	885	167
2.	Lanco Infratech Limited	Fuel Oil Handling System for 2 x 507.5 MW Nagarjuna Thermal Power Project at Padubidri, Mangalore, Karnataka	842	58
3.	Lanco Infratech Limited	Fuel Oil Unloading, Storage and Forwarding System for 2 x 300 MW Amarkantak Thermal Power Plant, Unit 1 & 2, Chattisggarh	830	3
4.	Lanco Infratech Limited	Low Pressure Piping Package for UPRVUNL’s 2 x 600 MW Anpara-C Thermal Power Project, Anpara, Uttar Pradesh	1,277	618
5.	Lanco Infratech Limited	Effluent Treatment Plant package for 2x600 MW Thermal Power Project, Anpara, Uttar Pradesh	293	293
6.	Bharat Heavy Electricals Limited	Effluent Treatment Plant Package for GIPCL’s 2x125 MW Surat Lignite Power Project, Gujarat	789	152
7.	Bharat Heavy Electricals Limited	Misc. Tanks (Site Fabricated) Package for GSECL’s 1 x 351.43 MW CCPP at Hazira, Gujarat	167	45
8.	Bharat Heavy Electricals Limited	Condensate & DM water storage tanks for 2x500 MW for Anpara D Project	404	247

Sr. No.	Client	Project Details	Project Value (Rs. in Lakhs)	Work on Hand (Rs. in Lakhs)
9.	Gammon India Limited	Raw Water Intake System, Pumping Station and associated Cross Country Pipeline for DVC's 2 x 250 MW Mejia Thermal Power Plant, West Bengal	2,455	511
10.	Gujarat Electricity Board	Replacement of 6 Bunker-to-Pulverizer Volumetric Coal Feeding System with STOCK Gravimetric Raw Coal Feeding Systems at GSECL's 120 MW Sikka Thermal Power Station, Unit # 1.	399	2
11.	Gujarat Electricity Board	Replacement of 18 Bunker-to-Pulverizer Volumetric Coal Feeding System with STOCK Gravimetric Raw Coal Feeding Systems at GSECL's 3 x 210 MW Wanakbori Thermal Power Station, Unit # 1, 2 & 3	1,136	43
12.	Gujarat Electricity Board	Replacement of 18 Bunker-to-Pulverizer Volumetric Coal Feeding System with STOCK Gravimetric Raw Coal Feeding Systems at GSECL's 2 x 200MW + 1 x 210 MW Ukai Thermal Power Station Unit # 3, 4 & 5	1,164	36
13.	Punjab State Electricity Board	Fire Detection, Alarm & Protection System for PSEB's 4 x 110 MW Guru Nanak Dev Thermal Power Station, Bathinda, Punjab	807	30
14.	National Thermal Power Corporation	TN Energy Corp for ETP for 3 x 500 MW Vallur, Thermal Power Project, Tamil Nadu	2,388	2,109
15.	Bharat Heavy Electricals Limited	Supply, erection and commissioning of Effluent Treatment Plant and Sewage Treatment Plant for 700 MW (2x351 MW) CCPP near Pipavav, Kovoya Village, Gujrat.	492	386
16.	NTPC BHEL Power Projects Private Limited	Design/Supply, Erection and Commissioning of Miscellaneous Site Fabricated tanks 2x363.3 MW CCPP, Tripura	179	179
17.	Bharat Heavy Electricals Limited	Supply, Erection and commissioning of Sewage Treatment Plantfor 1x350 MW Hazira CCPP	133	115
18.	National Thermal Power Corporation Limited	Supply and erection of Ash water recirculation system for Bangaigaon Thermal Power Project (3x250 MW)	1,200	1,200
19.	National Thermal Power Corporation Limited	Supply, inland transportation, insurance, installation, testing, commissioning and guarantee tests of Ash water recirculation system package for 2x500 MW, Vindhyachal STPP	1,749	1,749
NUCLEAR POWER				
20.	Nuclear Power Corporation of India Limited	Raw and Service Water System Package for NPCIL's 500 MW Fast Breeder Reactor Project at BHAVINI, Kalpakkam, Tamilnadu	4,500	2,353
21.	Nuclear Power Corporation of India Limited	Engineering, Procurement and Construction (EPC) Package of Additional Away from Reactor Spent Fuel Storage Facility (Additional AFR) for NPCIL's Tarapur Atomic Power Station, Unit 1 & 2	4,400	2,406
22.	Nuclear Power Corporation of India Limited	Utility Piping Package for NPCIL's 500 MW Fast Breeder Reactor Project at, BHAVINI Kalpakkam, Tamilnadu	3,831	536

Sr. No.	Client	Project Details	Project Value (Rs. in Lakhs)	Work on Hand (Rs. in Lakhs)
23.	Nuclear Power Corporation of India Limited	Tanks & other equipment for Liquid Waste Management System	422	410
WATER AND WASTE WATER TREATMENT				
24.	National Building Construction Corporation Limited	Underground Trunk Sewer Lines in Division A of Greater Jammu & Kashmir in Zone-III of Greater Srinagar, J&K	4,556	2,462
25.	J&K Economics Reconstruction Agency, Srinagar	Replacement of Worn Out Pumping and Electrical Equipment placement of DG sets and construction of Clarifloculator – Revamping of water treatment plants as part of Multi Sector Project for Infrastructure Rehabilitation in Srinagar, J&K	1,745	234
26.	Athi Water Services Board, Nairobi, Kenya	Rehabilitation Works for Dandora Sewage Treatment Plant Works and Reconstruction of Ngong Trunk Sewers for Athi Water Services Board, Nairobi, Kenya	3,286*	2,248
27.	Ministry of Water Resources, Ethiopia	Comprehensive Water Services package for Harar Water Supply and Sanitation Project, Harar, Ethiopia	4,979*	194
28.	Ministry of Water, Fiji	Augmentation and Rehabilitation of the Kinoya Sewage Treatment Plant	2,501*	2,457
ELECTRICAL DISTRIBUTION AND RURAL ELECTRIFICATION				
29.	West Bengal State Electricity Distribution Company Limited	Rural electricity infrastructure and household electrification of 803 nos. Villages under Patrasayer, Onda, Indus, Kotulpur & Jaypur blocks in Bankura district of West Bengal under West Bengal Rural Rlectrification Programme (WBREP).	3,777	2,092
30.	Power Development Department, Government of Jammu & Kashmir, Jammu	1x50 MVA, 132/33 KV Grid Sub Station	1,589	1,589
INDUSTRIAL & INFRASTRUCTURE SECTORS				
31.	Integrated Steel Plant at Vizag	Outdoor Yard Piping Package relating to Steel melt Shop and Blast Furnaces Area for Visakhapatnam Steel Plant	3,430	1,234
32.	Integrated Steel Plant at Vizag	Cooling Water System Package for Special Bar Mill at Visakhapatnam Steel Plant	2,983	2,380
33.	Integrated Steel Plant at Vizag	Auxiliary Cooling Water Systems Package for Power Plant of COB-4 (Phase II) at Visakhapatnam Steel Plant	1,150	454
34.	Steel Authority of India Limited	Overhead Yard Pipe work for Steel Melt Shop (SMS) and Cold Rolling Mill (CRM) expansion at Salem Steel Plant	505	111
35.	Steel Authority of India Limited	33 / 11 KV Outdoor Substation Electrical Package at Hirri Mines, Bhilai	74	9
36.	National Mineral Development Corporation Limited	Mine Water Supply Package at Bailadila Iron Ore Project – Deposit 14&11C, Kirandul, Dantewada District, Chattisggarh	1,387	625
37.	Wonji / Shoa Sugar Factory, Ethiopia#	Plant Electrification including Power Evacuation package - (Lot-6) for Wonji / Shoa Sugar Factory, Ethiopia	5,145*	5,145

Sr. No.	Client	Project Details	Project Value (Rs. in Lakhs)	Work on Hand (Rs. in Lakhs)
38.	Bharat Bhari Udyog Nigam Limited	Compressed Air System, Fire Protection System and Industrial Water Systems package for the mega project of ship repairing complex at Paradip, Orissa	5,380	5,380
39.	Steel Authority of India Limited	Reclamation of water and augmentation of facilities at pump house (package 3) at Kiriburu Iron Ore Mines	1,784	1,558
40.	Gammon India Limited	Improvement/Upgradation of SH-69, length 153 km – package no. 2.	10,332##	10,332
41.	National Aluminium Company Limited	Caustic Effluent disposal pipeline work for NALCO's Phase II Expansion project, Aluminia Refinery, Damanjodi, Orissa.	1,222	1,222
	Total		**86,567**	**53,374**

**The order received from Athi Water Services, Kenya is khs 5215.31 lakhs, from Ministry of Water Resources, Ethiopia is Euro 78.78 lakhs, from Ministry of Water, Fiji is F$ 100.31 lakhs and from Wonji / Shoa Sugar Factory, Ethiopia through Uttam Sucrotech International Private Limited is Birr 1,015.97 lakhs. For the purpose of presentation the same has been converted into INR.*

 # For the purpose of this project, a sub-contract agreement for design, manufacture, test, deliver, install and commission of electrical system package has been executed by our Company with Uttam Sucrotech International Private Limited

This contract was earlier awarded to the Joint Venture that was entered into by our Company with Super Build India Private Limited wherein our Company's share was 50% of the total project value. The said contract was terminated by our client Gammon India Limited. Subsequently, our Company, was awarded the project on a standalone basis.

As on March 31, 2010, our Company has bid for forty one (41) projects amounting to approximately Rs. 2,20,000 lakhs. As per the information available to us we are the lowest bidder for five (5) projects amounting to approximately Rs. 40,000 lakhs.

Projects Completed

Detailed below are some of the major completed projects:

No.	Client	Project Details	Project Value (Rs. in Lakhs)	Year of Completion
1.	Tema Oil Refinery (Tor) Limited, Ghana	New seawater intake pumping station & fiber glass pipeline from harbor to the refinery sea water basin for Tema Oil Refinery (TOR) Ltd., Ghana, Africa	6,253	August 2009
2.	Bharat Heavy Electricals Limited	Fuel Oil Unloading, Storage and Handling System for CSEB's 2 x 250 MW Korba (East) Thermal Power Plant, Units 1 & 2, Chattisggarh	580	December 2007
3.	Bharat Heavy Electricals Limited	Low Pressure Piping Package for CSEB's 2 x 250 MW Korba (East) Thermal Power Plant, Units 1 & 2, Chattisggarh	1,139	December 2007
4.	AHC Mining Municipal Services Limited, Zambia	Rehabilitation of Water Treatment Plant and Equipment as part of Mine township Services Project at Chililabombwe, Luanshya, Kitwe, Kalulushi and Mufulira in Zambia, Africa	1,666	December 2005
5.	Bharat Heavy Electricals Limited	Fire Detection, Alarm & Protection System for WBPDCL's 3 x 210 MW Bakreshwar Thermal Power Station, Stage-I, Units 1, 2 & 3, West Bengal	1,870	March 2005
6.	National Thermal Power Corporation Limited	Low Pressure Piping Package for NTPC's 4 x 500 MW Talcher Super Thermal Power Project, Stage-II, Units 3, 4, 5 & 6, , Orissa	2,400	December 2004

No.	Client	Project Details	Project Value (Rs. in Lakhs)	Year of Completion
7.	BSES Limited (*now Reliance Energy*)	Naphtha & HSD Fuel Oil Unloading, Storage and Forwarding System for BAPL's 220 MW Combined Cycle Power Plant, Samalkot, Andhra Pradesh	544	July 2003
8.	National Thermal Power Corporation Limited	Ash Water Recovery & Liquid Waste Treatment System Package for NTPC's 3 x 210 + 3 x 500 MW Korba Super Thermal Power Plant, Stage - I & II, Units 1, 2, 3, 4, 5 & 6, Madhya Pradesh	1,541	August 2002
9.	National Thermal Power Corporation Limited	Liquid Waste Treatment Plant Package for NTPC's 2 x 500 MW Rihand Super Thermal Power Station, Stage - I, Units 1, 2, 3 & 4, Uttar Pradesh	525	October 2000
10.	Andhra Pradesh State Electricity Board	Fire Detection, Alarm & Protection System for APSEB's 2 x 210 MW Rayalaseema Thermal Power Station, Stage - I, Units 1 & 2, Andhra Pradesh	556	June 1998
11.	Kenya Power Company	Cross Country Steam Piping System for 3 x 15 MW Olkaria Geothermal Power Plant, Kenya, Africa	950	April 1996
12.	BSES Limited (*now Reliance Energy*)	Fire Detection, Alarm & Protection System for BSES's 2 x 250 MW Dahanu Thermal Power Station, Stage-I, Units 1 & 2, Maharashtra	1,280	January 1996
13.	National Thermal Power Corporation Limited	Low Pressure Piping Package for NTPC's 2 x 500 MW Farakka Super Thermal Power Station, Stage - II, Units 3 & 4, West Bengal	495	March 1994

PROJECT SPECIFIC ARRANGEMENTS

We form Joint Ventures or enter into MoUs to form consortium with other entities which are either domestic or international companies, whereby the technical & financial capacities jointly will pre-qualify us to bid for a project. These joint ventures and MoUs are usually for the specific projects only.

Location of the Project

Considering the nature of our business the location of our projects depends upon the contracted site which usually varies from project to project. Currently our Company is having 41 on-going work orders of which 37 are being executed at various locations in country and 4 are being executed overseas.

Infrastructure facilities

Raw Materials

Fabrication and erection form a significant portion of work which is carried out at the various sites. The fabrication requires raw materials like steel, pipes and fittings along with a range of consumables like electrodes, gases etc. Buildings and civil works requires cement, steel and other construction materials.

Our Company procures all the aforesaid raw materials from approved vendors and suppliers and in accordance with contract requirements. We have no specific agreement / understanding with any suppliers for raw materials and place orders as per the requirement. Purchase of major raw materials is centralised while consumables are purchased at site.

Water

Water requirement is largely project specific and is procured locally by way of boring wells at the site and / or other water resources available near the site. At certain sites, clients provide through their own resources.

Power

Power required at site for running various machineries, equipment and for lighting is met at different sites through normal distribution channels like state electricity board or generated through DG sets owned or rented by us.

Equipment

Our Company requires various equipment for undertaking EPC contracts. The equipment to be procured are largely specific to each project and includes pumps and motors, pipes valves and fittings, specialised process equipment like vessels, filters, agitators, heat exchangers, various water treatment equipment like settlers, clarifiers, clari-flocculators, chemical dosing equipment, various material handling equipment like cranes, feeders, conveyors, various instruments and control items, electrical items like transformers, switchgear, cables etc. Our Company procures all the aforesaid equipment through its procurement division from approved vendors and suppliers and in accordance with contract requirements.

Machinery Required for Site Construction

Our Company needs to deploy a range of construction machinery at various sites. The machinery deployed at any particular site may be company owned, hired or arranged by sub contractors.

A list of the main construction machinery owned by our Company is given below:

No.	Name of Equipment	Number of Units
1.	Tower Crane	1
2.	Mobile Cranes	3
3.	Excavator/Loader/Backhoe	5
4.	Batching Plant	2
5.	Mob/ Transit Mixer	2
6.	Concrete Pump	1
7.	Hydraulic Lifting Jacks	32
8.	Welding Machines/Rectifiers	20
9.	Pumps	3
10.	Drill Hammer	1
11.	Chain pulley Block	Lot
12.	Testing Equipment	Lot
13.	Tipper Trucks	5

CAPACITY AND CAPACITY UTILISATION

Our business is project specific and not of the nature of a manufacturing concern with specified installed capacity. It is not possible to determine the capacity. The ability to undertake a project depends on requisite pre qualifications with respect to technical, managerial and financial ability to execute the project.

HEALTH, SAFETY AND ENVIRONMENT

We are committed to comply with applicable health, safety and environmental regulations and other requirements in our operations. To ensure effective implementation of our safety policies and practices, at the beginning of every project we identify potential material hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We believe that accidents and occupational health hazards can be significantly reduced through the systematic analysis, control of risks and by providing appropriate training to employees.

We are committed to protect the environment by minimizing pollution, waste and optimizing fuel consumption towards continual improvement of our environmental performance.

INSURANCE

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, and other work accidents, fire, earthquake, flood and other *force majeur* events, acts of terrorism and explosions including hazards that may cause injury and loss of life, destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement and construction services provided by us.

Our significant insurance policies consist of coverage for risks relating to physical loss or damage. Loss or damage to our materials and property, including contract works, whether permanent or temporary and materials or equipment supplied by us or are generally covered by "contractors all risks insurance". We have also obtained a fire insurance policy for our registered and corporate office. We also maintain workmen's compensation policies.

Under certain of our contracts and sub-contracts, we are required to obtain insurance for the project. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate.

HUMAN RESOURCE

We have had a steady evolution, acquiring the type of know-how, experience and resources necessary for critical turnkey projects. From the start-up in 1971 with 3 professionals, we have grown to a structure of over 222employees as on March 31, 2010 comprising of engineers, technicians and other support staff. It is a well layered set up with mix of senior managers to operational staff. Around 108 employees are located at our site offices. We have engineers from various disciplines of engineering i.e. mechanical, electrical, instrumentation, civil for execution of projects.

The break up of employee strength as on March 31, 2010 is given below:

Category	**Number of Employees**
Managerial and technical	161
Commercial and Non-technical	61
Total	**222**

In addition to the above, our Company hires contract labor through various sub-contractors. As on March 31, 2010 approximately 1,080 engineers, technicians and other support staff were deployed.

RECRUITMENT STRATEGY

Our success depends to a large extent on our ability to recruit, train and retain high quality professionals. Accordingly, we place special emphasis on the human resources development and believe that we maintain good relationships with our employees. Additionally, we also deploy sub-contractors who appoint skilled and unskilled staff at various project sites.

We believe that our employees are key contributors to our business success. To achieve this, we focus on hiring and retaining the best talent in the industry. In addition to recruiting experienced personnel, we also recruit university students through campus recruitments. We have formulated certain programmes to groom them like on-job training so as to absorb them as regular and effective employees.

Recruitment of experienced personnel is done through press advertisements and through professional recruitment agencies. Occasionally, employee's referrals are also used. Our Company also recruits experienced professionals to plough specific expertise gaps from amongst retired employees of PSUs.

TRAINING

We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organised or sponsored by our company. We ensure that our employees are updated with the latest knowledge of our industry and simultaneously work to improve each employee's efficiency and effectiveness. For the purpose of providing training to our employees we are in the process of setting up a training centre at Nagpur and have entered into an agreement dated July 29, 2009 to purchase the land. We propose to train our employees at this training centre to update them with the latest industry trends.

MARKETING STRATEGY

Our Company has a centralised marketing set up. Our marketing strategy is multi-pronged. Multiple / repeat orders from existing customers and a thorough scanning of all opportunities particularly those financed by multilateral financing agencies are the key marketing approaches. In areas like electrical distribution and rural electrification wherein we have recently entered into, we have dedicated personnel in business development department to identify and pursue opportunities including arranging tie ups for technology or to facilitate prequalification. Our marketing function is directly supervised by the Managing Director and he is supported by Vice President (Marketing), Vice President (Special Projects), Vice President (Electricals SBU) and Vice President (Transportation).

EXPORT OBLIGATIONS

We import machinery for our projects under the Advanced License scheme and have to fulfill export obligation to that extent. As on date, we have fulfilled our entire exports obligation.

COMPETITION

We operate in a competitive environment. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. In selecting contractors for major projects, clients generally invite the tenders from contractors that have pre-qualification criteria including experience, technological capability, performance record, reputation for quality, safety record, financial strength and size of executed contracts in similar type of projects. Although price competitiveness of the bid is the most important selection criteria.

No.	Area of Competition	Competitor
1.	Industrial Utility and Low Pressure Piping Systems	• Techno Electric & Engg Co. Ltd. • Sunil Hitech Engineers Ltd.
2.	Fuel Oil, Unloading, Storage and Handling Systems	• Unitech Machines Ltd. • Thermopad Systems
3.	Fire Detection, Alarm and Protection Systems	• Kidde India Ltd. • Agni Fire Protection
4.	Water, Wastewater and Effluent Treatment and Recycling Systems	• Hindustan Dorr Oliver Ltd. • ION Exchange (India) Ltd.
5.	Tankages	• Nicco Ltd. • Indian Tube Mills & Metal Industries Ltd.
6.	Raw & Sea Water Intake Systems	• IVRCL Infrastructure and Projects Ltd. • Subhash Projects and Marketing Ltd.
7.	Plant Electrification / Transmission & Distribution / Rural Electrification	• Larsen and Toubro Ltd. • Areva T&D India Ltd.
8.	Renovation & Modernisation of Coal Feeding Systems	• Transweigh India Ltd. • Bharat Heavy Electricals Limited

TECHNICAL COLLABORATIONS

We presently do not have any technical collaboration.

Our Properties

The details of the properties owned/leased by our Company are provided herein below:

Description of Property	Vendor/ Lesser	Date and type of Instrument/Document executed	Term of the Lease & Area
Registered Office			
507, Eros Apartments, 56, Nehru Place, New Delhi 110 019	(Late) Mrs. Ved Kumari Sharma	April 15, 1979 Lease Deed (*Extension letter dated March 17, 2009 for extension of lease*)	Extension of three (3) years w.e.f. April 15, 2009 to April 14, 2012 Area - 577 sq. ft.
Corporate Office			
Plot 5, Sector 27-C, Mathura Road, Faridabad 121 003, Haryana.	Haryana Urban Development Authority (HUDA)	March 30, 1981 Deed of Conveyance	4247 sq. yards (approx.)
Other premises			
Dag No. 2865, Mouza-Galia, Bankura, West Bengal.	Mr. Gau Hari Pal, Mr. Sudarshan Pal	March 3, 2009 Rent Agreement	Eighteen (18) months (*which may be extended with mutual consent of the Parties*)

Description of Property	Vendor/ Lesser	Date and type of Instrument/Document executed	Term of the Lease & Area
	and Mr. Janardan Pal		
Villa No. 67, Ground Floor, Block-I, Reos Garden, Charmwood Village, Suraj Kund Road, Faridabad 121 009.	Mrs. Neera Manchanda	June 25, 2008 Lease Agreement	Two (2) years i.e. upto June 24, 2010
Flat No. G-5, Block No. G-2, South End Apartments, Charmwood Village, Suraj Kund Road, Faridabad 121 009.	Mr. Ravi Raj Sagar	August 16, 2008 Rent Agreement	Eleven (11) months i.e. upto June 14, 2010
509, 5th Floor, Eros Apartments, 56, Nehru Place, New Delhi 110 019	Mrs. Ravinder Kaur Slehria	June 26, 1985 Lease Deed	Three (3) years i.e. till June 25, 1988 (Expired)* 345 sq. ft.
** Our Company has been using the above mentioned premises as on the date of this Red Herring Prospectus.*			
Overseas Branches of our Company:			
Flat No. D2, L.R. No. 209/180, Forest Road, Nairobi.	Twinstar Development Limited	June 1, 2009 Tenancy Agreement	One (1) years commencing from June 1, 2009 till May 31, 2010.
125, Woreda 18, Kebele 27, Addis Ababa, Bole Road, Ethipoia	Col. Getachew Balcha	April 15, 2010 House Lease Agreement	Twenty Four (24) months commencing from April 15, 2010.
Higher 02, Kebele 04/08, House No. 370, Dire Dawa, Ethiopia	Mr. Getahun Melaku	January 1, 2010 Lease Agreement for residential house	December 31, 2010
Higher 02, Kebele 04, House No. 371, Dire Dawa, Ethiopia	Juweria Bedri	April 29, 2010 Lease Contract Agreement	Six months commencing from May 1, 2010 till November 1, 2010.
Lot 2, Dovi Road, Laucala, Beach Estate, Nasinu, Fiji.	Maria Amos	March 19, 2010 Tenancy Agreement	Twelve (12) months commencing from March 19, 2010
Nagpur Property			
Our Company has executed an Agreement with Mr. Alok Chandra dated July 29, 2009 wherein it has been agreed by Mr. Alok Chandra to transfer property on an ownership basis comprising of Land No.33 which is adjacent to MIDC, Hingna Industrial Estate, Nagpur, Maharashtra admeasuring 2 hectares for Rs. 75 Lakhs per hectare aggregating to a total consideration Rs. 150 Lakhs.			

Intellectual Property Rights

Trademarks of our Company

No.	Trademark	Registration/ Application No.	Class	Registration/ Application Date	Validity of Registration
1.	Air Cannon	428102	7	January 31, 1992	October 5, 2005 (Expired)*
2.	Techfab	428101	7	October 31, 1989	Renewed till October 4, 2015
3.	Technofab	1647978	37	January 30, 2008	Pending registration
4.	"T" (logo)	1662689	37	March 10, 2008	Pending registration

** Our Company has made an application dated October 3, 2005 for renewal of the said trademark.*

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. Though there are no specific regulations in India governing the engineering industry, we set forth below are certain significant legislations and regulations which generally govern this industry in India:

We undertake activities in the engineering sector and enter into engineering procurement and construction contracts.

Environmental and Labour Regulations

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

Industrial Laws:

1. Public Liability Insurance Act, 1991

This enactment imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The Government in by way of notification has enumerated a list of "hazardous substances" covered by the legislation. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The Rules made under the Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

2. Contract Labour (Regulation and Abolition) Act, 1970

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

3. The Shops and Establishment Act, 1948

The Shops and Establishment Act, 1948 governs a company in the states where it has offices/godowns. It regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of registration, opening and closing hours, daily and weekly working hours, health and safety measures, and wages for overtime work.

4. The Minimum Wages Act, 1948

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

5. The Workmen's Compensation Act, 1923

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

6. The Payment of Gratuity Act, 1972

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

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

7. The Payment of Bonus Act, 1965

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

8. Employees' Provident Funds and Miscellaneous Provisions Act, 1952

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

9. The Industrial Disputes Act, 1947

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

Environmental Laws:

10. The Environmental Protection Act, 1986

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

11. Environmental Legislation

We are required under applicable law to ensure that our operations are compliant with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974, as amended ("Water Pollution Act"), the Air (Prevention and Control of Pollution) Act, 1981, as amended ("Air Pollution Act") and the Environment Protection Act, 1986, as amended ("Environment Act").The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act are to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

12. The Hazardous Wastes (Management and Handling) Rules, 1989

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

Foreign Investment Regime

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act ("***FEMA***"), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the Foreign Investment Promotion Board ("***FIPB***") is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. At present, foreign investment in companies engaged in engineering activities falls under the RBI automatic approval route for investment upto 100%.

HISTORY AND CERTAIN CORPORATE MATTERS

History and Background

Our Company was incorporated on July 20, 1971 in New Delhi as Technofab Engineering Private Limited under the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company became a deemed public limited company in terms of Section 43A (1A) of the Companies Act, 1956 on January 4, 1989. Our Company became a public limited company pursuant to the enactment of the Companies (Amendment) Act, 2000 and a special resolution passed by our Company on June 24, 2002. The RoC accordingly altered the Certificate of Incorporation to that effect on May 7, 2003.

During our initial years, we undertook various piping projects which enabled our Company to evolve into a turnkey piping systems company, with capabilities in EPC. Further, we developed expertise especially for engineered heating and storage systems, for low grade fuels, required by oil marketing companies and their customers. We have provided such systems for a large number of power projects aggregating approximately 5400 mw of installed capacity apart from customers in other areas.

With an endeavour to expand more engineered systems to our product portfolio, our Company developed capabilities to design and engineer fire protection systems to protect all types of hazards, with a special focus on facilities with medium to high risk ratings such as power stations and oil refineries / petrochemical facilities. We have provided fire detection and protection systems in 27 different power projects aggregating approximately 17000 mw of installed capacity apart from customers in hydrocarbon and other sectors.

For further growth we expanded our business activities to international market and secured our first overseas project in Kenya, Africa in 1993 and since then we have executed projects in Zambia, Ghana and Kenya.

Leveraging our project management skills, our Company entered into the Water and Wastewater treatment sector and secured three of the first set of Water and Wastewater Treatment & Recycling projects of NTPC at Rihand, Korba and Kahalgaon in 1996, 1997 and 1998 respectively.

Our Company experienced certain financial constraints during the period 2001-2005 on account of which dues of one our banker's viz., Central Bank of India remained unpaid. In the year 2006, our Company paid the total outstanding dues payable to them amounting to Rs. 1,113 lakhs as a One Time Settlement (OTS) in full. Accordingly, the name of our Company was removed from the RBI's defaulter's list.

To exploit the potential opportunities in nuclear power sector, Rural Electrification and Transmission & Distribution, our Company made efforts in establishing its credentials as an EPC construction company capable of serving these sectors. In the year 2007 our Company bagged its first work order in the nuclear power sector. This was followed by further orders in 2008. So far we have secured and are executing orders worth over Rs. 13,000 lakhs.

We also do retrofitting of bulk material flow aid devices for the Cement, Power, Steel, Fertilizer and related industries. In the year 2009, we secured our first order in Power Distribution from WBSEDC worth Rs.3,770 Lakhs.

With an experience of over thirty eight (38) years our Company evolved from a piping, valves and pressure vessels fabricator to a Engineering and Construction company taking up individual turnkey packages relating to Low Pressure Piping Systems, Fuel Oil Handling Systems and Fire Protection Systems and eventually executing comprehensive electromechanical packages involving all engineering disciplines viz. Mechanical, Electrical, Control and instrumentation, environmental and civil for some of India's largest corporations, both in the public and private sector such as NTPC, SAIL, IOCL, TATA POWER, BHEL, ONGC, SEBs, etc as well as several overseas customers.

Our Company currently serves the power, industrial and infrastructure sectors by executing comprehensive BoP and auxiliary as well as main systems on complete turnkey EPC basis.

Our Company has seventeen (17) members as on the date of this Red Herring Prospectus.

Changes in registered office of our Company from inception

Date	From	To
--	M-52, Greater Kailash – I, New Delhi 110 048	On Incorporation
March 25, 1972	M-52, Greater Kailash – I, New Delhi 110 048	E-72, Greater Kailash – I, New Delhi 110 048
March 20, 1973	E-72, Greater Kailash – I, New Delhi 110 048	10, Nizamuddin East, New Delhi 110 013
July 18, 1976	10, Nizamuddin East, New Delhi 110 013	501, Eros Apartments, 56 Nehru Place, New Delhi 110 019
March 30, 1977	501, Eros Apartments, 56 Nehru Place, New Delhi 110 019	502, Eros Apartments, 56 Nehru Place, New Delhi 110 019
January 25, 2000	502, Eros Apartments, 56 Nehru Place, New Delhi 110 019	507, Eros Apartments, 56 Nehru Place, New Delhi 110 019

Key Milestones

Year	Events
1971	Incorporated as a Private Limited Company
	Set up facility in Plot # 6, Sector 6, Faridabad, Haryana for manufacture of Butterfly Valves, Weldneck Flanges, Orifice Plates, Gratings, Step Treads etc.
1975	Secured first contract for Fuel Oil Handling System from Bharat Pumps and Compressors, Naini, Allahabad.
1978	Secured first Fire Protection System Contract from MSEB, Bombay for their Nasik Thermal Power Project followed by another one for the Bhusawal Thermal Power Project
1979	Executed our first large Yard Piping Contract from Steel Authority of India, Rourkela
	Executed contract for the Director General of Naval Projects for the entire mechanical services and equipment for a "Fitting Out Wharf" setup at Lion Gate in Bombay.
1984	Secured first L.P. Piping system contract from NTPC for the country's Super Thermal Power Plant set up at Singrauli for 2 x 500MW. This was followed by similar orders for 2 x 500 MW Farakka TPS in 1988, 2x500 MW Vindhyachal TPS in 1995 and 4x500 MW Talcher TPS in 2000
1986	Commenced manufacturing of Pressure Vessels, Heat Exchangers, Filtration Equipment, Large dia Pipes and Pipe Fittings, prefabricated tanks and vessels
1987	Bagged the first major Naphtha Handling System contract from National Fertilizer Limited, Nangal, Punjab
1992	Established a full scale in-house Design & Engineering facility in the office Block at Main Mathura Road, Faridabad, Haryana
1993	Executed our first overseas contract for Piping from Kenya Power and Lighting Company for their Geothermal Project.
	Achieved total indigenization of entire production range of Solid Flow Devices, Belt Cleaners, Skirt Boards, Belt tracking and Support Systems.
1994	Secured contract for comprehensive Fire Fighting System from the country's first 2x250 MW module Thermal Power Project set up by the erstwhile BSES in Dahanu. This was followed by similar contracts for the same system for 2 x 250 MW Thermal Power Projects setup in succession by RSEB at Suratgarh and APSEB at Kothagudam.
1996	Awarded first contract for a power plant for setting up a Liquid Waste Treatment Plant in a Power Plant for NTPC's Rihand Thermal Power Plant followed by repeat orders from NTPC for their Korba and Kahalgaon and Thermal Power Projects in 1997 and 1998.
2002	Discontinued in-house fabrication
2003	Secured overseas orders for Rehabilitation of Water Treatment Plants and Pumping Station in the Copper Belt area, Zambia
2007	Received overseas order from TEMA Oil Refinery, Ghana for Sea Water Intake Pumping Stations and Pipeline
	Secured first order in Nuclear Power worth Rs.3,510 lakhs for the raw and service water package.
2009	Secured first order in Power Distribution from WBSEDC worth Rs.3,770 lakhs
2009	Secured first overseas order in the Asia-Pacific region in Fiji worth Rs. 2,501 lakhs
2010	Acquisition of Rivu Infrastructural Developers Private Limited, our 100% subsidiary

Main Objects

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

1. To carry on the business of purchase, sale, manufacture, assemble, import and export and/or otherwise deal in all kinds of valves, actuators, gratings, flanges, pipes & fittings, fabricated process equipment of all materials of construction and the doing of all such things as are incidental or conducive to the attainment of the above object.

2. To carry on the business of civil, electrical and mechanical contractors.

3. To carry on the business of designers, engineering consultants-technical, managerial or otherwise.

4. To sell or otherwise deal in products of other companies as their dealer and/or distributors.

Amendments to the Memorandum of Association of our Company

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

Date of Shareholders Approval	Nature of Amendment
February 27, 1976	Increase in authorised share capital from Rs. 1,00,000 to Rs. 5,00,000.
June 26, 1978	Addition of sub-clause 4 in Clause IIIA and deletion of sub-clause 18 of clause IIIB of Memorandum of Association which is as follows: "To sell or otherwise deal in products of other companies as their dealer and / or distributors."
April 28, 1980	Increase in authorised share capital from Rs. 5,00,000 to Rs. 25,00,000.
February 11, 1986	Increase in authorised share capital from Rs. 25,00,000 to Rs. 1,00,00,000.
January 7, 1992	Increase in authorised share capital from Rs. 1,00,00,000 to Rs. 3,00,00,000.
October 28, 1999	Increase in authorised share capital from Rs. 3,00,00,000 to Rs. 10,00,00,000.
March 21, 2009	Amendment to the other Objects Clause of the Memorandum of Association of our Company by addition of twelve (12) more objects i.e. Serial No. 40 to 51 after Serial No. 39 of the other Objects Clause which are as follows: 40. To carry on the business of designing, engineering, procurement, quality inspection, installation, testing and commissioning of complete EPC turnkey projects including civil, electrical, mechanical, piping, instrumentation works for thermal, nuclear, hydro, gas based power projects in India and abroad. 41. To undertake projects for supervising, construction, erection, testing and commissioning of power projects in India and abroad. 42. To undertake renovation and modernisation of power stations in India and abroad. 43. To trade, import, export and purchase power from identified power projects and sell to identified SEBs/ others. 44. To promote one or more joint venture companies for undertaking acquisition of contracting companies engaged in EPC business of power plants and associated auxiliary systems, sub-stations, switchyards, installation of power transmission lines, oil and gas plants, operation and maintenance of power plants. 45. To manufacture, import, export, buy, sell, assemble, fabricate, repair, renovate and otherwise deal in all kinds of transformers and machineries and their components, spare parts, auxiliaries and accessories. 46. To carry on the business of purchasing, marketing, selling, importing, exporting, producing, trading, transmitting, distributing, supplying or otherwise dealing in all aspects of thermal, hydro, nuclear, solar, wind power and power generated through non-conventional / renewable energy sources including construction, generation, operation and maintenance, renovation and modernisation of power stations and projects and to undertake the business of other allied/ ancillary industries including those for utilisation/ sale/ supply of steam and ash generated at power stations, and other by-products and install, operate and manage all necessary plants,

Date of Shareholders Approval	Nature of Amendment
	items of equipment, cables, wires, lines, establishments and works in India and abroad. 47. To carry on the business as consultants and advisors to EPC contractors, OEMs and other multinational/ Indian companies engaged in generation of power / distribution of power, supply, erection and commissioning of power plant equipments and ancillaries associated to power station viz. acoustics etc., laying of new lines for transmission, supply, erection and commissioning of HVAC systems/ fire fighting systems/ HSD storage system and services of critical components of gas/ hydal turbines, boiler feed pumps either directly or acting as agent/ liaison agent or as canvassing representative for reputed manufacturers, agents and distributors, for generation, use of power in India and abroad. 48. To carry on the business of manufacturing, buying, selling, reselling, altering, importing, exporting, improving, assembling, distributing or otherwise dealing in machinery required for solar photovoltaic cells, panels, poly -silicon and other products manufactured out of solar cells and panels in India and abroad. 49. To carry on the business as consultants and/ or advisors to turnkey / EPC contractors and such other Indian and multinational companies engaged in construction of solar photo voltaic based power plants and solar thermal power plants in India and abroad. 50. To carry on the business as turnkey/ EPC contractors for construction of solar photo voltaic and solar thermal power generation plants. 51. To act as builders, promoters and developers of land, buildings, building sites, townships and other building complexes, factories, godowns, flats, blocks, offices, shops, malls, garages, cinemas, theatre, hotels, resorts, restaurants, hotels or structures of whatsoever and in connection therewith to act as contractors for execution of land and building projects of all kinds and otherwise as contractors for execution, construction and completion of all sorts of projects and in general to deal in immovable properties of all descriptions and tenures by purchase and sale or otherwise as may be necessary or proper and to undertake and execute maintenance contracts for multi-storeyed and other buildings, townships and complexes and in connection therewith to act as manager, caretakers, engineers, advisors, estate agents, selling and purchasing agents and brokers for lands, buildings, factories, godowns, flats, blocks, offices, shops, malls, garages, cinemas, theatres, hotels, resorts, restaurants, motels or structures of whatsoever construction materials, furniture, fixtures, equipments and appliances.
July 8, 2009	Increase in authorised share capital from Rs. 10,00,00,000 to Rs. 15,00,00,000

Awards and Accreditations

We are credited with ISO 9001: 2000 certification from TUV Certification Body at TUV NORD CERT GmbH for "Engineering Procurement and Construction of Engineered Systems on Complete Turnkey basis in Core, Energy and Infrastructure Sector Projects" in 2008.

Subsidiaries of our Company

Rivu Infrastructural Developers Private Limited

Rivu Infrastructural Developers Private Limited (RIDPL), promoted by Mr. Partha Chatterjee and Mr. Goutam Saha was incorporated on February 21, 2005 to carry on the business as manufacturers, services, assemblers, fabricators, repairers, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds of electrical, electronic, mechanical and structural engineering products and structural engineers, technical consultancy and contractor of all kinds and descriptions. The company is currently carrying on the activities of electrical works including lighting and erection of sub-stations on contractual basis.

The Board of Directors of RIDPL were Mr. Partha Chatterjee, Mr. Goutam Saha, Mr Janak Garg and Mr. Arun Jagga. Neither the Promoter(s) nor any Promoter Group entity of our Company has any direct or indirect interest in RIDPL for acquisition of RIDPL. However, Mr. Janak Garg, part of the Promoter Group, was a Non-Executive Director of RIDPL for the period April 16, 2009 to February 2, 2010

Our Company by an agreement dated February 6, 2010 (the "**Agreement**"), agreed to acquire 1,00,000 equity shares of Rs. 10/- each ("**Equity Shares**") of RIDPL from the Promoters of RIDPL viz. Mr. Partha Chatterjee and Mr. Goutam Saha for a total consideration of Rs. 5,00,000. Our Company paid the consideration for these Equity Shares on February 10, 2010 subsequent to which RIDPL became a wholly owned subsidiary of our Company. Our Company did not appoint any professional valuers for valuing the acquisition of the said Equity Shares and relied on its internal assessment for the valuation and and acquired shares at a negotiated price of Rs. 5 per Equity Share. RIDPL is primarily engaged into carrying on the activities of electrical works including lighting and erection of sub-stations on contractual basis. The experience and pre-qualification credentials of RIDPL will enable the Company to expand its activities in the electrical works segments.

The authorised share capital of RIDPL is Rs. 10,00,000 divided into 1,00,000 equity shares of Rs. 10 each and the paid up capital of RIDPL is Rs. 10,00,000 divided into 1,00,000 equity shares of Rs. 10 each. Our Company, including through our nominees, holds 1,00,000 equity shares in RIDPL, i.e. 100% of the issued and paid up capital of RIDPL as under:
The shareholding pattern of RIDPL is as under:

S. No	Name of the Shareholder	No. of Equity Shares of Rs. 10/- each	Amount in Rs. Lacs	% Shareholding
1	Technofab Engineering Limited	99,990	9.99	99.99
2	Mr. Rajesh Gupta (Beneficial interest vests with Technofab Engineering Limited u/s 187C of the Companies Act, 1956)	10	0.01	0.01
	TOTAL	**1,00,000**	**10.00**	**100**

Financial Performance

The financial information of RIDPL for the last three years based on the audited statements are as follows:

(in Rs. Lakhs)

Particulars	2009-10	2008-09	2007-08
Equity Capital	10.00	10.00	10.00
Reserves (excluding revaluation reserve)	14.97	8.14	4.53
Sales (Contracts Executed)	170.47	155.81	71.98
Profit after tax	6.83	3.61	0.99
Net Asset Value	24.97	17.83	14.52

Promoters and Directors of RIDPL

The current Promoters of RIDPL are Technofab Engineering Limited and Directors of RIDPL are Mr. Partha Chatterjee, Mr. Arun Jagga and Mr. Rajesh Gupta.

RIDPL is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up. RIDPLhas not made any loss in the immediately preceding year nor has remained defunct and for which application was made to the Registrar of Companies for striking off the name of the company. Further, RIDPL has not been identified as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Strategic Partners

At present, our Company does not have any strategic partners.

Financial Partners

At present, our Company does not have any financial partners.

OUR MANAGEMENT

Board of Directors

As per our Articles of Association our Company shall not appoint less than three (3) and more than twelve (12). Currently, our Company has seven (7) Directors. The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Name, Father's Name, Residential Address, Designation, Occupation, Term and DIN	Nationality	Age	Other Directorship
Mr. Avinash C. Gupta S/o Late Mr. Balwant Rai Gupta Residential Address: S-481, Greater Kailash-II, New Delhi 110 048. Chairman and Managing Director, Executive Director Date of re-appointment: July 8, 2009 Term: Five (5) years from April 1, 2009, not liable to retire by rotation Occupation: Business DIN: 00012077	Indian	69 years	1. Techfab International Private Limited 2. Torno Infrastructure Private Limited
Mr. Arjun Gupta* S/o Mr. Avinash C. Gupta Residential Address: S-481, Greater Kailash-II, New Delhi 110 048. Whole Time Director, Executive Director Date of appointment: April 1, 2008 Term: Three (3) years from April 1, 2008, liable to retire by rotation Occupation: Business DIN: 00012092	Indian	39 years	1. Techfab Systems Private Limited 2. Techfab International Private Limited 3. Wrap Art & Design Private Limited 4. Sadelmi India Power Private Limited 5. Ansaldocaldaie Boilers India Private Limited 6. Torno Infrastructure Private Limited 7. Bakool Venture Private Limited
Mr. Nakul Gupta* S/o Mr. Avinash C. Gupta Residential Address: S-481, Greater Kailash-II, New Delhi 110 048. Whole Time Director, Executive Director	Indian	38 years	1. Techfab International Private Limited 2. Bakool Venture Private Limited

Name, Father's Name, Residential Address, Designation, Occupation, Term and DIN	Nationality	Age	Other Directorship
Date of Appointment: April 1, 2008 Term: Three (3) years from April 1, 2008, liable to retire by rotation Occupation: Business DIN: 00012106			
Dr. Nitish Kumar Sengupta S/o Late Mr. Nirmal Kumar Sengupta Residential Address: 135, Pocket 40, Chitranjan Park, New Delhi 110 019. Independent & Non Executive Director Date of Appointment: June 6, 2008 Term: Liable to retire by rotation Occupation: Service DIN: 00094845	Indian	75 years	1. Hindustan Gum & Chemicals Limited; 2. Credit Analysis & Research Limited 3. BNK Capital Markets Limited 4. Inovoa Hotels & Resorts Private Limited 5. Nagarjuna Agrochemicals Limited 6. Multi Commodity Exchange of India Limited 7. Evolution Markets India Private Limited
Mr. Pawan Chopra S/o Late Mr. Pran Nath Chopra Residential Address: C 1/39 Pandara Park, New Delhi 110003. Independent & Non Executive Director Date of Appointment: June 8, 2009 Term: Liable to retire by rotation Occupation: Professional DIN: 00417967	Indian	65 years	1. Dua Consulting Private Limited 2. Lanco Power Trading Limited
Mr. V.S. Mathur S/o Mr. Harendra Shankar Mathur Residential Address: B-70, 1st floor, Sector-14, Noida 201301. Independent & Non Executive Director Date of Appointment: June 8, 2009	Indian	64 years	1. Principal Trustee Company Private Limited 2. Emmsons International Limited 3. Brahmaputra Infrastructure Limited 4. Precision Fasteners Limited

Name, Father's Name, Residential Address, Designation, Occupation, Term and DIN	Nationality	Age	Other Directorship
Term: Liable to retire by rotation Occupation: Professional DIN: 01382982			
Mr. Arun Mitter S/o Mr. Vishwa Mitter Residential Address: C-29, Mayfair Gardens, Hauz Khas Enclave, New Delhi 110 049. Independent & Non Executive Director Date of Appointment: June 8, 2009 Term: Liable to retire by rotation Occupation: Professional DIN: 00022941	Indian	47 years	1. Jayabharat Credit Limited 2. India Lease Development Limited 3. MGF Automobiles Limited 4. MGF Motors Limited 5. Bahubali Services Limited 6. MGF Services Limited 7. MGF Developments Limited 8. The Motor & General Finance Limited 9. Upper India Hire Purchase Co. Associates Limited 10.MGF Metro Mall Private Limited 11.Ram Prakash & Co. Private Limted 12.Discovery Holdings Private Limited 13.Grosvenor Estates Private Limited 14.MGF Infotech Private Limited 15.MGF Auto Sales Private Limited 16.MGF Vehicle Sales Private Limited 17.MGF Projects Private Limited 18.MGF Securities Private Limited 19.Kerala Cars Private Limited 20.Capital Vehicles Sales Private Limited 21.Omega Motors Private Limited 22.Cards Services India Private Limited 23.Dove Promoters & Entertainment Private Limited 24.Gee Gee Holdings Private Limited 25.Meta Dor Technologies Private Limited 26.Paramba International Limited 27.MGI (India) Private Limited 28.Nanny Infrastructure Private Limited

**Mr.Arjun Gupta and Mr. Nakul Gupta are sons of Mr. Avinash C. Gupta.*

There are no arrangements or any understanding with major shareholders, customers, suppliers or others pursuant to which any of the Key Managerial Personnel were selected as a Director or member of a senior management.

Brief Biographies of our Directors

Mr. Avinash C. Gupta, 69 years, is the Chairman and Managing Director of our Company. Mr. Gupta is a founder of our Company and has forty nine (49) years of experience in the engineering industry. Mr. Gupta holds a Bachelor of Science degree from Punjab University. Mr. Gupta has been associated with the engineering industry since 1960 and over the years has acquired experience in the planning and execution of electro mechanical contracts of a varied nature for projects in the areas of power, refineries, fertilizer, steel plants, ports, etc. Mr. Gupta spearheaded our Company and provides directions for growth and thereby established it to become amongst the leading engineering companies.

Mr. Arjun Gupta, 39 years, is the Whole Time Director of our Company. Mr. Arjun Gupta holds a Bachelor's degree in Mechanical Engineering from University of Texas, Austin. He has been associated with our Company as director since the year 2004 till date. He has about ten (10) years of experience in Turnkey Projects and products related Sales & Marketing, Contracts and Design & Engineering. He was instrumental in completion of many Turnkey Projects for our Company both in India and abroad.

Mr. Nakul Gupta, 38 years, is the Whole Time Director of our Company. Mr. Nakul Gupta holds Bachelor of Science (Marketing & Psychology) degree from Indiana University (Bloomington). Mr. Gupta completed the Owner President Management Program (OPM) from Harvard Business School in March 2010. He has been associated with our Company since 1994 and in these fifteen (15) years has been handling finance & accounts and banking activities of our Company. He has been individually managing the export business of our Company.

Dr. Nitish Kumar Sengupta, 75 years, is a retired Indian Administrative Service officer and has served the Government of India in various capacities. Mr. Sengupta holds Phd in Management from University of Delhi. He has been associated with our Company as a Director since 2008. He has more than fifty two (52) years of experience. He was Revenue Secretary in the Ministry of Finance and retired as Key Planning Commissioner. Currently, he is the Chairman, Board for Reconstruction of Public Enterprises and Member of the Expert Committee for selecting Independent Directors for Navratna Public Sector Enterprises. He was also a Member of Parliament from 1999 to 2004.

Mr. Pawan Chopra, 65 years, is a retired Indian Administrative Service officer. He has recently been appointed as a Director of our Company in 2009. Mr. Chopra has more than thirty five (35) years of experience working with Government of Rajasthan and Government of India in various capacities and sectors. Mr. Chopra retired as a Secretary to Government of India, Ministry of Information & Broadcasting.

Mr. V.S. Mathur, 63 years, is a retired Indian Revenue Service officer. He has recently been appointed as a Director of our Company in 2009. Mr. Mathur has more than thirty five (35) years of experience in almost all areas of work in the Income Tax Department. Mr. Mathur retired as Director General (Systems), Income Tax Department.

Mr. Arun Mitter, 47 years, is a fellow member of Institute of Chartered Accountant of India. Mr. Mitter has been appointed as a director of our Company in 2009. Mr. Mitter has more than twenty (20) years of experience in general and financial management of corporate bodies. Mr. Mitter is presently working with the Motor & General Finance Limited as Executive Director.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon their termination of employment.

Borrowing Powers of the Board

Our Articles, subject to the provisions of the Companies Act, authorize our Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. Our shareholders have, pursuant to a resolution passed at the Annual General Meeting held on September 30, 2008, authorized our Board to borrow monies for an amount not exceeding Rs. 80,000 lakhs at any time.

Remuneration to Non-Executive Director:

Our Company, subject to the provisions of the Companies Act and other applicable laws and regulations, pays each non–executive Director sitting fees to attend meetings of the Board and any committee of the Board. Our Company also reimburses such Directors for out-of-pocket expenses to attend such meetings and perform their role as a Director. Our Non-Executive Directors shall be paid sitting fees of a maximum of Rs. 20,000 in terms of our Articles of Association.

Remuneration to Executive Director:

1. Mr. Avinash C. Gupta

Mr. Avinash C Gupta was re-appointed as Chairman and Managing Director of our Company for a period of five years with effect from April 1, 2009, pursuant to a resolution of our shareholders dated July 8, 2009. The terms of remuneration have been revised pursuant to a shareholders resolution dated May 22, 2010 and includes the following:

Particulars	Remuneration
Basic Salary	Rs. 3.75 lakhs per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time taking into account the performance of the Company.
Other Allowances	▪ **Housing**: Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof. ▪ **Medical Expenses**: Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years. ▪ **Leave Travel Allowance** for self and family, in accordance with Rules of the Company. ▪ **Club Fees:** Membership of two Clubs in India (including admission and membership fee). ▪ Entertainment, travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company. ▪ **Car & Telephone**: The Company shall provide car with driver and telephone at the residence of the Managing Director for business purposes of the Company. ▪ **PF Contribution**: Contribution to Provident Fund shall be as per Rules of the Company and applicable laws. ▪ **Gratuity**: Gratuity payable shall be as per Rules of the Company and applicable laws. ▪ **Performance Incentive:** Upto 2% of the net profit of the Company p.a. subject to the condition that the total managerial remuneration during a financial year does not cross the threshold limit of 10% of the net profits of the Company as per Section 309 of the Companies Act, 1956.

2. Mr. Arjun Gupta

Mr. Arjun Gupta, was appointed as Whole Time Director of our Company for a period of three years with effect from April 1, 2008, pursuant to a resolution of our shareholders dated September 30, 2008. The terms of remuneration have been revised pursuant to a shareholders resolution dated May 22, 2010 and includes the following:

Particulars	Remuneration
Basic Salary	Rs. 1.80 lakh per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time taking into account the performance of the Company.
Other Allowances	▪ **Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof. ▪ **Medical Expenses**: Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years. ▪ **Leave Travel Allowance** for self and family, in accordance with Rules of the Company.

Particulars	Remuneration
	▪ **Club Fees:** Membership of one Club in India (including admission and membership fee). ▪ Entertainment, travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company. ▪ **Car & Telephone**: The Company shall provide car with driver and telephone at the residence of the Whole Time Director for business purposes of the Company. ▪ **PF Contribution**: Contribution to Provident Fund shall be as per Rules of the Company and applicable laws. ▪ **Gratuity**: Gratuity payable shall be as per Rules of the Company and applicable laws. ▪ **Performance Incentive:** Upto 1% of the net profit of the Company p.a. subject to the condition that the total managerial remuneration during a financial year does not cross the threshold limit of 10% of the net profits of the Company as per Section 309 of the Companies Act, 1956.

3. Mr. Nakul Gupta

Mr. Nakul Gupta, was was appointed as Whole Time Director of our Company for a period of three years with effect from April 1, 2008, pursuant to a resolution of our shareholders dated September 30, 2008. The terms of remuneration have been revised pursuant to a shareholders resolution dated May 22, 2010 and includes the following:

Particulars	Remuneration
Basic Salary	Rs. 1.80 lakh per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time taking into account the performance of the Company.
Other Allowances	▪ **Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof. ▪ **Medical Expenses**: Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years. ▪ **Leave Travel Allowance** for self and family, in accordance with Rules of the Company. ▪ **Club Fees:** Membership of one Club in India (including admission and membership fee). ▪ Entertainment, travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company. ▪ **Car & Telephone**: The Company shall provide car with driver and telephone at the residence of the Whole Time Director for business purposes of the Company. ▪ **PF Contribution**: Contribution to Provident Fund shall be as per Rules of the Company and applicable laws. ▪ **Gratuity**: Gratuity payable shall be as per Rules of the Company and applicable laws.

Particulars	Remuneration
	▪ **Performance Incentive:** Upto 1% of the net profit of the Company p.a. subject to the condition that the total managerial remuneration during a financial year does not cross the threshold limit of 10% of the net profits of the Company as per Section 309 of the Companies Act, 1956.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification Shares in our Company. None of our Directors hold any Equity Shares in our Company except as set out below:

Name of the Director	Number of shares held	Shareholding (%)
Mr. Avinash C. Gupta	17,53,948	23.39
Mr. Arjun Gupta	4,32,872	5.77
Mr. Nakul Gupta	4,31,072	5.75

Interests of Directors

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

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or Allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Except as stated in this section "Our Management" or the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two (2) years of the date of the Draft Red Herring Prospectus.

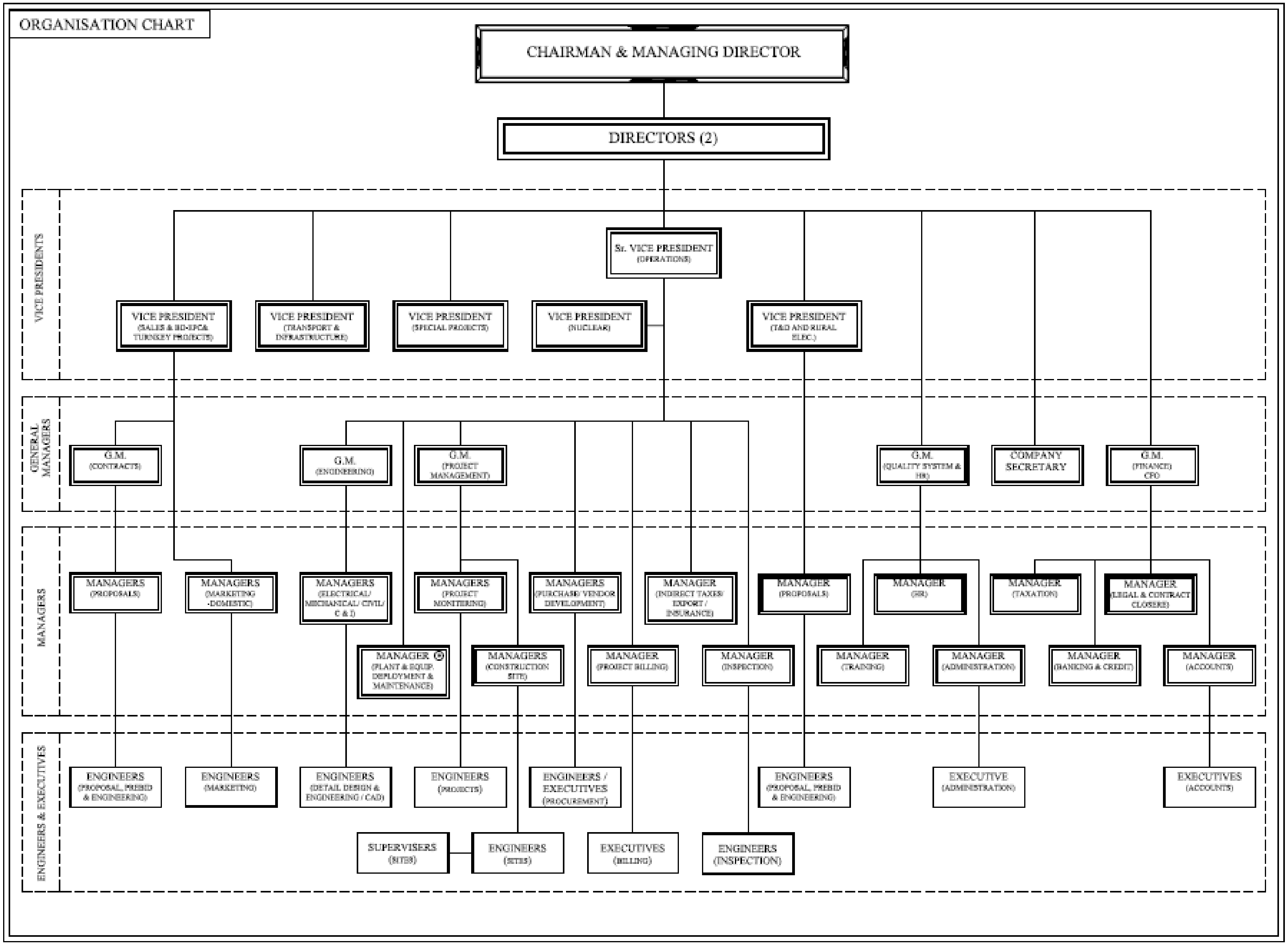
Changes in our Company's Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

No.	Name of the Director & Designation	Date of Appointment	Date of Resignation	Reason
1.	Mr. Sanjeev Dhar, Non Executive Director	March 20, 2006	--	Appointed as an Additional Director
2.	Mr. Naiyar Azam, Non Executive Director	March 20, 2006	--	Appointed as an Additional Director
3.	Mr. Manikuttan Nair, Non Executive Director	March 20, 2006	--	Appointed as an Additional Director
4.	Mr. Avinash C. Gupta, Chairman and Managing Director	April 1, 2006	--	Re-appointment as Managing Director w.e.f. April 1, 2006
5.	Mr. Sanjeev Dhar, Non Executive Director	--	October 20, 2006	Resignation
6.	Mr. Naiyar Azam, Non Executive Director	--	June 6, 2008	Resignation
7.	Mr. Manikuttan Nair, Non Executive Director	--	June 6, 2008	Resignation

No.	Name of the Director & Designation	Date of Appointment	Date of Resignation	Reason
8.	Mr. Ramkrishna Telang, Non Executive Director	June 6, 2008	--	Appointed as a Director
9.	Dr. Nitish Kumar Sen Gupta, Independent Director	June 6, 2008	--	Appointment
10.	Mr. Arjun Gupta, Executive Director	April 1, 2008	--	Appointed as a Whole Time Director of our Company
11.	Mr. Nakul Gupta, Executive Director	April 1, 2008	--	Appointed as a Whole Time Director of our Company
12.	Mr. Avinash C. Gupta, Chairman and Managing Director	April 1, 2009	--	Re-appointed as the Managing Director of our Company
13.	Mr. Pawan Chopra, Independent Director	June 8, 2009	--	Appointment as an Additional Director
14.	Mr. V.S. Mathur, Independent Director	June 8, 2009	--	Appointment as an Additional Director
15.	Mr. Arun Mitter, Independent Director	June 8, 2009	--	Appointment as an Additional Director
16.	Mr. Ramkrishna Telang, Non Executive Director	--	August 31, 2009	Resignation

Management Organisational Structure



Corporate Governance

The provisions of the listing agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI (ICDR) Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. As of the date of the Draft Red Herring Prospectus, our Company has taken steps to comply with the provisions of Clause 49 of the Listing Agreements, including with respect to the appointment of independent directors, the constitution of the Audit, Remuneration and Shareholders/Investors Grievance Committee of the Stock Exchanges.

The Chairman of the Board is an Executive Director. The Board of Directors consists of seven (7) directors, of which three (3) are executive directors, four (4) are independent directors.

In accordance with Clause 49 of the listing agreement, our Company has constituted/re-constituted the following committees:

1. Audit Committee

Our Company re-constituted an audit committee in accordance with the Section 292 A of the Companies Act, and Clause 49 of the Listing Agreement in the meeting of our Board of Directors held on June 8, 2009 with Mr. Arun Mitter, Mr. Pawan Chopra, Dr. Nitish Kumar Sen Gupta and Mr. V.S. Mathur as its members. The audit committee presently consists of the following Directors of the Board:

i) Mr. Arun Mitter, Chairperson
ii) Mr. Pawan Chopra, Member
iii) Dr. Nitish Kumar Sen Gupta, Member
iv) Mr. V.S. Mathur, Member

The scope of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval

5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up there on.

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

2. Shareholders/ Investors Grievance Committee:

Our Company has constituted shareholders/investors grievance committee in the meeting of our Board of Directors held on June 8, 2009. The shareholders/investors grievance committee presently consists of the following Directors of the Board:

i) Mr. Pawan Chopra, Chairperson
ii) Dr. Nitish Kumar Sen Gupta, Member
iii) Mr. Arun Mitter, Member
iv) Mr. V.S. Mathur, Member

The scope of the Shareholders/Investors Grievance Committee is to review and resolve the shareholders' grievances from time to time.

3. Remuneration/ Compensation Committee:

Our Company has re-constituted remuneration/compensation committee in the meeting of our Board of Directors held on June 8, 2009. The remuneration/compensation committee presently consists of the following Directors of the Board:

i) Dr. Nitish Kumar Sen Gupta, Chairperson
ii) Mr. Nakul Gupta, Member
iii) Mr. Pawan Chopra, Member

The scope of the Remuneration/Compensation Committee is to review the remuneration of executive and non-executive directors from time to time.

IPO Committee

The IPO Committee was constituted at the Annual General Meeting held on July 8, 2009. The IPO Committee consists of Mr. Avinash C. Gupta (Chairman & Managing Director), Mr. Arjun Gupta (Whole Time Director), Mr. Nakul Gupta (Whole Time Director), Mr. Arun Kochhar (Vice President, Special Projects) and Mr. Paresh Kumar Singh (Company Secretary). The IPO Committee is formed to decide all matters relating to IPO and allotment of shares of our Company in consultation with the Stock Exchanges concerned and SEBI and also for issue of share certificates in accordance with the relevant rules and regulations.

Key Managerial Personnel

All our Key Managerial Personnels are permanent employees of our Company except employees on retainership basis as mentioned below. Further, none of the key managerial personnel are related to each other or our Directors.

Mr. Onkar Nath Vij, 50 years, is a Senior Vice President of our Cosmpany. Mr. Vij holds a diploma in Mechanical Engineering from Government Polytechnic, Sirsa (Haryana). He has been associated with our Company since 1984. He has over twenty six (26) years varied experience in Project Management, Procurement, Engineering, Erection Testing and Commissioning of EPC Projects. Mr. Vij is responsible for expanding our client base, tendering and price negotiations, project programming, scheduling and commissioning. Prior to joining us he was associated with Bharat Steel Tubes Limited, New Delhi. For the fiscal 2010, Mr. Vij was paid a gross compensation of Rs. 24.07 lakhs.

Mr. Harihar Singh, 53 years, is a Chief General Manager of our Company. Mr. Singh holds a degree in B.E. (Chemical) from University of Roorkee. He has been associated with our Company since 1979 and has about thirty (30) years experience in Project management, Erection, Testing and commissioning of Piping Systems, Tanks, Structurals, Mechanical Equipments, Fuel Oil Systems and Fire Protection system**.** He is responsible for overall project execution, claims and arbitration. For the fiscal 2010, Mr. Singh was paid a gross compensation of Rs. 11.93 lakhs.

Mr. Vijay Nagarajan, 46 years, is a Chief General Manager (Business Development) of our Company. Mr. Nagarajan holds a degree in B.E. (Mechanical) from Maharaja Sayajirao University of Baroda, Vadodara. He has been associated with our Company since 1988 and has over twenty (20) years experience in product and contract sales, tendering and price negotiations. He is responsible for developing strategies for procurement of projects, project implementation, commissioning and its successful completion. Prior to joining us he was associated with Srinidhi Engineering Services, Bangalore. For the fiscal 2010, Mr. Nagarajan was paid a gross compensation of Rs. 15.85 lakhs.

Mr. Dipak Bandopadhyay, 49 years, is a Vice President (Electricals) of our Company. Mr. Bandopadhyay holds a degree in B.E. (Electrical) & M.B.A, from Calcutta University. He has varied experience in electrical projects. He has been associated with our Company since 2007 and has over twenty five (25) years of experience in electrical projects. Prior to joining us he was associated with M/s Sterling & Wilson Electricals Private Limited. For the fiscal 2010, Mr. Bandopadhyay was paid a gross compensation of Rs. 14.46 lakhs.

Mr. C Lawrence, 43 years, is General Manager (Projects) of our Company. Mr. Lawrence holds a degree in B.Tech (Chemical) from Laxminarayan Institute of Technology, Nagpur. He has been associated with our Company since 1985 and has over twenty one (21) year experience in Fuel Oil Handling System, Fire Detection and Protection System, Tankers and Large diameter Piping, Utility Piping Systems, Low Pressure Piping and Waste Water Treatment Systems. He is responsible for planning, scheduling, monitoring and control of overall project activities. Prior to joining us he was associated with Tyco Fire and Security India Private Limited and M/s H. Young & Co. (EA) Limited, Kenya. For the fiscal 2010, Mr. Lawrence was paid a gross compensation of Rs. 11.30lakhs.

Mr. Sanjeev K. Kulshreshtha, 50 years, is General Manager (Proposals) of our Company. Mr. Kulshreshtha holds a degree of B.Tech (Mechanical) from H.B.T.I., Kanpur University. He has been associated with our Company since 2007 and has over twenty nine (29) years of experience in Project Execution, Project Co-ordination and successful material handling systems including erection, testing, and commissioning. Prior to joining us he has been associated with Steelage (Gunnebo India Limited, Mumbai. For the fiscal 2010, Mr. Kulshreshtha was paid a gross compensation of Rs. 10.14 lakhs.

Mr. Subhash Chander Agarwal, 55 years, is Chief General Manager (Projects) of our Company. Mr. Agarwal holds a Diploma (Electrical) from Pusa Polytechnic, New Delhi. He has been associated with our Company since 2007 and has over thirty two (32) years of experience in design, consultancy, contract procurement as well as Construction forum as per ISO norms. Prior to joining us he was associated with M/s Interarch Building Products Private Limited. For the fiscal 2010, Mr. Agarwal was paid a gross compensation of Rs. 12.69 lakhs.

Mr. T. Chandra, 47 years, is a General Manager (Projects) of our Company. Mr. Chandra is a A.M.I.E. (Chemical) from Institution of Engineers. He has been associated with our Company since 2008 and has over twenty three (23) years experience in Project planning and monitoring, detailed engineering plot plan, piping GA as well as procurement including tendering, evaluation, and recommendations. Prior to joining us he was associated with Goyal MG Gases Private Limited. For the fiscal 2010, Mr. Chandra was paid a gross compensation of Rs. 9.62 lakhs.

Mr. Paresh Kumar Singh, 38 years, is Company Secretary of our Company. Mr. Singh is an associate member of the Institute of Company Secretaries of India. He has been associated with our Company since 2008 and has over eight (8) years of experience in secretarial and legal matters. He is presently working as Senior Manager/ Company Secretary. Prior to joining us he was associated with Triton Corp Limited, Gurgaon. For the fiscal 2010, Mr. Paresh Kumar Singh was paid a gross compensation of Rs. 5.80 lakhs.

Mr. Krishanpal Gupta, 58 years, is Senior Manager (Accounts) of our Company. He is Master of Science (Maths) from University of Meerut. He has over 36 years of experience in financial matters and associated with our Company since 1984. During fiscal 2010, Mr. Krishanpal Gupta was paid a gross compensation of Rs. 6.14 lakhs.

Mr. Arun Kochhar, 62 years, is a Vice President (Special Projects) of our Company. He is a B.Tech (Hons.) from I.I.T, Kharagpur. He has been associated with our Company as consultant since 2008 and as an employee since 2009. Mr. Kochhar has thirty (30) years of experience in project related work for process industry ranging from Concept to Commissioning, mainly in Project Management. Prior to joining us he was associated with Engineers India Limited. For the fiscal 2010, Mr. Kochhar was paid a gross compensation of Rs. 11.13 lakhs.

Mr. R.N.Bhardwaj*, 61 years, is Vice President (Nuclear Projects) of our Company. He is a B.E. (Mechanical) from Institution of Engineers, University of Kolkatta and fellow member of Institute of Engineers. He has been associated with our Company since 2008 and has over thirty eight (38) years of experience in the field of nuclear power project for construction, design, coordination with DAE/NPCIL. Prior to joining us he was associated with Department of Atomic Energy, Government of India and Nuclear Power Corporation of India.

Mr. M.L.Aggarwal*, 68 years, is General Manager of our Company. He is a Diploma in Electrical Engineering and Associate member of Institute of Engineers, Kolkata. He has been associated with our Company since 2001and has around forty years (40) of experience in project engineering management, including Civil Works, Mechanical Packages, Electrical Packages and Central & Instrumentation packages. Prior to joining us he was associated with BHEL.

Mr. Diptendu Pal*, 68 years, is General Manager-Civil & Structural of our Company. He is a B.E., C.E. from University of Kolkata, AMIE (Ind), PGDMM from IGNOU. He has been associated with our Company since June 2009 and has over thirty (30) years experience in Structural and Civil Engineering Design with considerable experience in Project and engineering Management and Control. Prior to joining us he was associated with M/s Engineers India Limited.

***** *Employees on retainership basis.*

Shareholding of Key Management Personnel in our Company

None of the Key Management Personnel hold Equity Shares in our Company.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Payment of Benefits to Officers of our Company

Our Company has not paid any sum any non-salary amount or benefit to any of its officers to its employees except for the ex-gratia/rewards. None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Changes in our Company's Key Managerial Personnel during the last three (3) years

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:

No.	Name of the Key Managerial Personnel & Designation	Date of Appointment	Date of Resignation	Reason
1.	Mr. Subhash Chander Agaarwal, Chief General Manager (Projects)	May 11, 2007	--	Appointment
2.	Mr. Sanjeev K. Kulshreshtha, General Manager (Proposals)	August 4, 2007	--	Appointment
3.	Mr. Suman Anand, Company Secretary	December 11, 2006	October 18, 2007	Resignation
4.	Mr. Dipak Bandopadhyay, Vice President (Electricals)	December 3, 2007	--	Appointment
5.	Mr. Paresh Kumar Singh, Company Secretary	January 1, 2008	--	Appointment

No.	Name of the Key Managerial Personnel & Designation	Date of Appointment	Date of Resignation	Reason
6.	Mr. T. Chandra, General Manager (Projects)	February 19, 2008	--	Appointment
7.	Mr. Arun Kochar, Vice President (Special Projects)	September 1, 2009	--	Appointment
8.	Mr. Arun Kumar Sanwalka	--	January 21, 2010	Resignation

OUR PROMOTERS

Our Promoters

Our Promoters are Mr. Avinash C. Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta.

Mr. Avinash C. Gupta	
	Mr. Avinash C. Gupta is the Chairman & Managing Director of our Company. He is a resident Indian national. For further details, please refer to the section titled "Our Management" beginning on page 111 of this Red Herring Prospectus. His Permanent Account Number is AAHPG1096K, driving licence number is P03122000238424R and Passport No. is G4933065. His voter identification number is DL/02/007/030785.
Mr. Arjun Gupta	
	.Mr. Arjun Gupta is a Whole Time Director of our Company. He is a resident Indian national. For further details, please refer to the section titled "Our Management" beginning on page 111 of this Red Herring Prospectus. His Permanent Account Number is AAEPG2692Q, driving license number is DL - 0319900084494 (P) and Passport No. is Z2003663. His voter identification number is NEC1095553.
Mr. Nakul Gupta	
	Mr. Nakul Gupta is a Whole Time Director of our Company. He is a resident Indian national. For further details, please refer to the section titled "Our Management" beginning on page 111 of this Red Herring Prospectus. His Permanent Account Number is AAEPG2090E, driving licence number is 94-101090 and Passport No. is G4933059. His voter identification number is NEC1095579.

Our Company undertakes that the details of the PAN, Bank Account Numbers, and Passport Numbers of our Promoters have been submitted to the stock exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Interests of Promoters, Group Companies and Common Pursuits

Our individual Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to them and also to the extent of dividend payable to them and other distributions in respect of the Equity Shares held by them. Our individual Directors (*excluding the Promoters of our Company*) may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them out of the present Issue in terms of this Red Herring Prospectus and also to the extent of dividend payable to them and other distributions in respect of the said Equity Shares.

Further, our individual Promoters are also directors on the boards of certain Group Companies and they may be deemed to be interested to the extent of the payments made by our Company, if any, to these Group Companies. For the payments that are made by our Company to certain Group entities, please refer to the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus.

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

Our Promoters or directors are not involved with any ventures in the same line of activity or business as that of our Company.

Confirmations

Further, none of our Promoters have been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them. None of our Promoters, Promoter Group or Directors or persons in control of our Company or bodies corporate forming part of our Promoter Group has been (i) prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Payment or benefits to our Promoters

No payment or benefit has been made to Promoters except as disclosed in the related party transaction. For more details please refer to the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus.

GROUP COMPANIES

Group Companies as on date are as follows:

a) Techfab International Private Limited ("*TIPL*")

TIPL was incorporated on November 29, 2006 with the objective to carry on the business of merchant export of Engineering and Non-Engineering Equipment. The registered office of TIPL is situated at 507, Eros Apartments, 56, Nehru Place, New Delhi 110 019.

In the year 2007, TIPL acquired the business of the erstwhile Partnership Firm Techfab International wherein our Promoters, Mrs. Sucheta Sarvadaman Nakul and Mrs. Gunjan Gupta were partners.

Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Mr. Nakul Gupta	5,43,000	89
Mrs. Sucheta Sarvadaman Nakul	61,000	10
Mr. Avinash C. Gupta	3,000	0.50
Mr. Arjun Gupta	3,000	0.50
Total	**6,10,000**	**100**

Financial Performance
The audited financial performance for three (3) years is given below:

Rs. in Lakhs

Particulars	March 31, 2009	March 31, 2008	March 31, 2007
Equity Capital	61.00	61.00	1.00
Reserves and Surplus (excluding revaluation reserves)	109.65	40.78	--
Net Asset Value per equity share (in Rs.) (Face value Rs. 10/-)	27.98	16.68	(13.00)

TIPL is an unlisted company and has not made any public or rights issue since the date of its incorporation. It has not become a sick company under SICA, is not under winding up and does not have negative net worth.

b) Techfab Systems Private Limited ("*TSPL*")

TSPL was incorporated on April 2, 2007 with the objective to carry on the business of supplying equipment and systems to Coal Fired Power Plants and Cement Plants. The registered office of TSPL is situated at 507, Eros Apartments, 56, Nehru Place, New Delhi 110 019.

In the year 2007, TSPL acquired the business of the erstwhile Partnership Firm Techfab Systems wherein our Promoters were the partners.

Shareholding Pattern

Particulars	No. of shares Held	Shareholding (%)
Mr. Arjun Gupta	3,82,500	95.60
Mrs. Gunjan Gupta	17,500	4.40
Total	**4,00,000**	**100**

Financial Performance

The audited financial performance for two (2) years is given below:

Rs. in Lakhs

Particulars	March 31, 2009	March 31, 2008
Equity Capital	40.00	40.00

Particulars	March 31, 2009	March 31, 2008
Reserves and Surplus (excluding revaluation reserves)	68.96	22.43
Net Asset Value per equity share (in Rs.) (Face value Rs. 10/-)	27.24	15.61

TSPL is an unlisted company and has not made any public or rights issue since the date of its incorporation. It has not become a sick company under SICA, is not under winding up and does not have negative net worth.

c) Wrap Art & Design Private Limited ("*WADPL*")

WADPL was incorporated on October 30, 2006 with the objective to carry on the business of interior designing, furnishing and trading of furniture and furnishing goods. The registered office of WADPL is situated at 507, Eros Apartments, 56, Nehru Place, New Delhi 110019.

Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Mr. Arjun Gupta	5,000	50.00
Mrs. Gunjan Gupta	5,000	50.00

Financial Performance

The audited financial performance for three (3) years is given below:

Rs. in Lakhs

Particulars	March 31, 2009	March 31, 2008	March 31, 2007
Equity Capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)	--	--	--
Net Asset Value per equity share (in Rs.) (Face value Rs. 10/-)	(164.30)	(221.20)	(6.8)

WADPL is an unlisted company and has not made any public or rights issue since the date of its incorporation. It has not become a sick company under SICA and is not under winding up.

d) Sadelmi India Power Private Limited ("*SPPL*")

SPPL was incorporated on February 6, 2009 with the objective to carry on the business of providing complete EPC services for construction of Power Plants (Thermal, Gas, Diesel, Hydro and Renewable Energy) on total turnkey basis. The registered office of SPPL is situated at 507, Eros Apartments, 56, Nehru Place, New Delhi 110 019.

Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Sadelmi S.p.A, Italy	49,500	99.00
Mr. Arjun Gupta	500	1.00

Financial Performance

Since SPPL has been incorporated in February 6, 2009, financials of SPPL have not been prepared.

SPPL is an unlisted company and has not made any public or rights issue since the date of its incorporation.

e) Torno Infrastructure Private Limited ("*TPL*")

TPL was incorporated on September 7, 2009 with the objective to carry on the business of undertaking projects in the Infrastructure space on BOT, BOOT, BOLT basis or otherwise. The registered office of TPL is situated at 6/B, 6th floor, Sterling centre, Dr. A.B. Road, Worli, Mumbai 400 018

Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Mr. Arjun Gupta	5,000	50.00
Mr. Avinash C. Gupta	5,000	50.00

Financial Performance

Since TPL has been incorporated in September 7, 2009, financials of TPL have not been prepared.

TPL is an unlisted company and has not made any public or rights issue since the date of its incorporation.

f) Bakool Venture Private Limited *("BVPL")*

BVPL was incorporated on September 17, 2009 with the objective to carry on the business in India or abroad of Exporters, Importers, distributors, merchants, traders, stockiest, buy, sell, distribute or otherwise deal in commodities, goods, articles, materials and things of every description and kind. The registered office of BVPL is situated at G-29, Munnabhaiya Chawl, Sainath Nagar Marg, Ghatkopar West, Mumbai 400 086.

Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Wrap Art & Design Pvt. Ltd.	9,990	99.90
Mr. Arjun Gupta	10	0.10

Financial Performance

Since BVPL has been incorporated in September 17, 2009, financials of BVPL have not been prepared.

BVPL is an unlisted company and has not made any public or rights issue since the date of its incorporation.

HUFs forming part of our Group:

g) Avinash C. Gupta (HUF)

Year of formation of HUF: July 20, 1988

PAN No.: AABHA9925R

Members of HUF: Mr. Avinash C. Gupta
Mrs. Meera Gupta
Mr. Arjun Gupta
Mr. Nakul Gupta

Karta of HUF: Mr. Avinash C. Gupta

h) Arjun Gupta (HUF)

Year of formation of HUF: January 23, 1999

PAN No.: AAEHA4787L

Members of HUF: Mr. Arjun Gupta
Mrs. Gunjan Gupta
Ms. Sitara Gupta

Karta of HUF: Mr. Arjun Gupta

i) Nakul Gupta (HUF)

Year of formation of HUF:	February 23, 1997
PAN No.:	AACHN5621G
Members of HUF:	Mr. Nakul Gupta Mrs. Sucheta Sarvadaman Nakul Master Chaitanya Nakul Gupta Ms. Shavya Nakul Gupta
Karta of HUF:	Mr. Nakul Gupta

Defunct Group Companies

None of the Group Companies are defunct companies.

Disassociation

Our Promoters have not disassociated themselves from any Company in the past three (3) years.

Related Party Transactions

There have been no sales or purchases between entities in the Promoters Group of our Company exceeding in value in the aggregate 10% of the total sales or purchases of the Company.

For more details, please refer to the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus.

DIVIDEND POLICY

Our Company has no stated dividend policy. The declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. Our Company has not declared dividend in last five (5) years except for the FY 2010, FY 2009 and FY 2008 details of which are given below:

The table below provides information of dividends declared by our Company during the FY 2010, FY 2009 and FY 2008:

Particulars	March 31, 2010	March 31, 2009	March 31, 2008
Face value of Equity Shares (Rs. per share)	10	10	10
Dividend (Rs.)	1,12,50,000	75,00,000	37,50,000
Dividend tax (Rs.)	18,68,485	12,74,625	6,37,313
Dividend per Equity Share (Rs.) final	1.50 per share	1 per share	0.50 per share

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL INFORMATION

Restated Consolidated Financial Information.

The Board of Directors,
Technofab Engineering Limited
507, Eros Apartments, 56 Nehru Place
New Dehli-110019

Dear Sirs,

We have examined the annexed restated consolidated financial information of Technofab Engineering Limited (the "Company") and its subsidiary for the year ended March 31, 2010. The consolidated restated financial information is prepared from the financial statement for the year ended March 31, 2010 being the last date to which the accounts of the Company have been made up and audited by us and are approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Initial Public Offering of Equity Shares of the Company (referred to as 'the Issue'), which is in accordance with

(i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 ('the SEBI ICDR Regulations 2009') in pursuant to section 11 of SEBI Act 1992 and related amendments/clarifications.

(iii) Our terms of reference with the Company Letter dated July 8, 2009 requesting us to carry out work in connection with the Offer Document as aforesaid.

The financial information of Rivu Infrastructural Developers Pvt. Ltd. are audited by Sibsankar & Associates, Chartered Accountants.

The audited financial information of Rivu Infrastructural Developers Pvt. Ltd for the financial year ended March 31, 2010 along with their audit report and information and explanations given to us which we consider appropriate has been considered in the consolidated financial information

Financial Information as per audited financial statements (consolidated)

1. We report that the consolidated restated assets and liabilities of the Company as at March 31, 2010 are as set out in Annexure A to this report after making such adjustments/ restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in Annexure D to this report.

2. We report that the consolidated restated profits of the Company for the financial year ended March 31, 2010 are as set out in Annexure B to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in Annexure D to this report.

3. We report that the consolidated restated cash flow of the Company for the financial year ended March 31, 2010 are as set out in Annexure C to this report after making such adjustments/ restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in Annexure D to this report.

Other Financial Information

4. We have examined the following consolidated financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

Annexure
Annexure A: Summary of Restated Assets & Liabilities
Annexure B: Summary of Restated Profit & Loss Account
Annexure C: Summary of Restated Cash Flow Statements
Annexure D: Significant Accounting Policies and Notes to Accounts
Annexure E: Statement of Contingent Liabilities
Annexure F: Statement of Dividend Declared
Annexure G: Details of Related Party Transactions
Annexure H: Details of Other Income
Annexure I: Summary of Accounting Ratios
Annexure J: Statement of Secured Loans
Annexure K: Statement of Unsecured Loans
Annexure L: Schedule for Current Liabilities & Provisions
Annexure M: Statement of Sundry Debtors
Annexure N: Details of Loans and Advances
Annexure O: Details of Investments
Annexure P: Capitalization Statement
Annexure Q: Segment Reporting

5. In our opinion the above financial information read with the significant accounting policies and notes to accounts is prepared after making adjustments and regrouping as considered appropriate in accordance with Part IIB of Schedule II of the Act and the SEBI (ICDR) Regulations 2009.

6. This report is intended solely for the use of management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company and should not be used for any other purpose except with our consent in writing.

For and on behalf of
Rajesh Suresh Jain & Associates
Chartered Accountants

Sd/-
Rajesh Jain
Proprietor
Membership No.098229

Date: 24 May 2010
Place: New Delhi

Annexure A

Summary of Restated Assets & Liabilities

Rs. in lakhs

Particulars	**As at March 31, 2010**
A. Fixed Assets	
Gross Block	903.15
Less: Accumulated Depreciation	350.80
Net block	**552.36**
B. Investments	**30.00**
C. Deferred Tax Asset	**0.00**
D. Current Assets, Loans and Advances	
Sundry debtors	5749.62
Cash & Bank Balances	1106.74
Inventories	362.69
Loans & Advances	4196.55
Total (D)	**11415.60**
E. Liabilities & Provisions	
Current Liabilities & Provisions	5021.94
Secured Loan	1517.35
Unsecured Loan	423.48
Total (E)	**6962.77**
F. Deferred Tax Liability	**17.51**
G. Net Worth (A+B+C+D-E-F)	**5017.67**
Net Worth represented by:	
H. Equity Share Capital	**750.00**
I. Reserves and Surplus	
Share Premium	600.00
Capital Reserve	4.99
Profit and Loss Account	1350.43
General Reserve	2312.25
Total (I)	**4267.67**
J. Net Worth (H+I)	**5017.67**

Note: The above statement should be read with the significant accounting policies and notes to accounts appearing in Annexure D.

Annexure B

Summary of Restated Profit & Loss Account Rs. in lakhs

Particulars	**For the year ended March 31, 2010**
A. Income	
Turnover	20148.82
Other Income	13.02
Total-(A)	**20161.84**
B. Expenditure	
Expenditure on contracts	15477.70
Employee Remuneration & benefits	613.35
Administration & Other Expenses	682.81
Interest & Finance Charges	316.85
Depreciation	136.31

Particulars	For the year ended March 31, 2010
Total-(B)	**17227.00**
C. Profit before taxation (A-B)	**2934.84**
Less: Provision for taxation	
-Current	1003.20
-Deferred	14.89
-Fringe benefit tax	0.00
-Wealth Tax	0.90
Profit After Taxation as per audited statement of accounts (C)	**1915.85**
- Residual Tax adjustments	0.00
D. Net Profit After Taxation as per audited statement of accounts	**1915.85**
ADJUSTMENTS	0.00
Impact of material adjustment for restatement in corresponding years	
Adjusted Net Profit	**1915.85**
Surplus/(Deficit) brought forward from the Previous year	1065.77
E. Profit available for appropriation	**2981.62**
Transfer to General Reserve	1500.00
Proposed equity dividend (Interim/Final)	112.50
Tax on dividend	18.68
F. Adjusted Available Surplus/(Deficit) carried forward	**1350.44**

Note: The above statement should be read with the significant accounting policies and notes to accounts appearing in Annexure D.

Annexure C

Summary of restated Cash flow Statements

Rs. in lakhs

Particulars	For the year ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before taxation and extraordinary items before restatement :	**2934.84**
Add / Less :- Adjustment for increase / decrease in depreciation due to restatement	0.00
Net Profit before taxation and extraordinary items after restatement :	**2934.84**
Adjustments for:	
Depreciation	136.31
Interest & Finance Charges	316.85
Loss on sale of fixed assets (net)	0.96
Provisions for Leave Encashment	2.40
Provisions for Gratuity	17.25
Cash generated from operations before Working Capital Changes	**3408.61**
Adjustments for:	
Changes in Trade and Other Receivables	(2476.50)
Loans & Advances	(754.79)
Inventories	89.79
Changes in Trade & Other Payables	(337.48)
Cash generated from/(used in) Operations	**(70.38)**
Income Taxes paid (net)	(865.11)
Net Cash Flow from /(used in) Operating Activities	**(935.49)**
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES	
Purchase of Fixed Assets	(272.49)
Sale of Fixed Assets	(0.83)
(Purchase)/Sale of Investments (net)	(15.01)
Net Cash from / (used in) Investing Activities	**(288.33)**

C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES	
Proceeds/(Repayment) from/of Short Term borrowings (net)	(48.45)
Proceeds/(Repayment) from/of Long Term Borrowings (net)	334.03
Interest & Finance Charges	(316.85)
Dividend Paid (including dividend distribution tax)	(87.75)
Net Cash from / (used in) Financing Activities	**(119.02)**
Net increase / (decrease) in Cash and Cash Equivalents	**(1342.84)**
Cash and Cash Equivalents at the beginning of the period/year	**2449.58**
Cash and Cash Equivalents at the end of the period/year	**1106.74**
Components of cash and cash equivalent	
- Cash and cheques on hand	9.31
- With banks - On current account	27.96
- On deposit account restricted	1069.47

Note: The above statement should be read with the significant accounting policies and notes to accounts appearing in Annexure D.

Annexure D
Significant Accounting Policies and Notes to Accounts

I) SIGNIFICANT ACCOUNTING POLICIES

1. **PRINCIPLES OF CONSOLIDATION**
The consolidated Financial Statements relate to TECHNOFAB ENGINEERING LIMITED (the company) and its subsidiary company Rivu Infrastructural Developers Pvt. Ltd. The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) “Consolidated Financial Statements” on the following basis:

i) The Financial statements of the Company and the subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses.

ii) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances and are presented to, to the extent possible, in the same manner as the company’s separate financial statements.

iii) The company accounts for its shares in the change in net assets of the associates, post acquisition after eliminating unrealized profit & loss resulting from transaction between the company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates’ profit and loss account and through its reserves for the balances, based on available information.

2. **OTHER SIGNIFICANT ACCOUNTING POLICIES**

1. **Recognition of Income/Expenditure:**
All expenditure and income are accounted for on accrual basis except as otherwise stated.

Income which arises out of invoicing of contract work and the contract costs which are accounted on accrual basis are both credited to income or charged to revenue, as the case may be, only after at least 10% of the total estimated contract costs (i.e. direct and indirect costs) are incurred (on accrual basis). Till such time, all the costs are carried forward to the next accounting year as “Work in Progress” under “Inventories” and recognition of revenue is correspondingly postponed. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected contract costs of the job. Direct costs include all expenses specifically attributable to the contract. Variation in Cost and Profit is recognized by evaluation of the percentage of work completed at the end of the accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected contract costs of the job. Estimates of contract costs are updated each year by technical certification.

Other items of the revenue are recognized in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India. Accordingly, wherever there are uncertainties in the ascertainment/ realisation of income, the same is not accounted for.

2. **Fixed Assets:**

a) All fixed assets are stated at historical cost less depreciation.

b) Depreciation is provided on straight-line method at the rates specified in Schedule XIV of Companies Act, 1956.

3. **Inventories:**

Inventories are valued at lower of cost or net realizable value.

4 **Employee benefits:**

Employee Benefits are recognized / accounted for on the basis of revised AS-15 detailed as under:

i) Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.

ii) Employee benefits under defined contribution plans comprise of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Profit & Loss account.

iii) Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with LIC of India.

iv) Termination benefits are recognized as an Expense as and when incurred.

v) The actuarial gains and losses arising during the year are recognized in the Profit & Loss account of the year without resorting to any amortization.

5. Investment:

Investments Long Term are stated at cost. Provision for diminution is made which is other than temporary.

6. Foreign exchange transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which they are adjusted to the carrying cost of such assets. However, in contracts for overseas projects where payment has been made in designated foreign currencies, since the exchange rates are prefixed and therefore consistently translated at the contractual rates of exchange, difference, if any, from these contractual rates to the rates existing on the date of the transaction have been accounted as "Exchange Rate fluctuation". Foreign Currency transactions remaining unsettled at the year end are translated at the year end closing rate.

7. Taxes on Income

Tax expenses comprise current tax, deferred tax & wealth tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

8. Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

9. **Contingencies**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

II) NOTES ON ACCOUNTS

1 The accompanying consolidated financial statement includes the accounts of TECHNOFAB ENGINEERING LIMITED and its following subsidiary :-

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year Ended
Rivu Infrastructural Developers Pvt. Ltd..	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31.03.2010

2 Contingent Liabilities: Disclosure for contingent liabilities is given in Annexure E.

3 Fixed Deposits/cash margin with banks amount to Rs.1045.17 lakhs are under lien with banks as per banking arrangements.

4 Loan from Banks (working capital facilities) are secured against tangible movable assets including stock, stores and book debts of the Company and against equitable mortgage of the Company's immovable properties comprising land, building and other structures and fittings, fixed plant and machinery and other fixtures and fittings erected or installed at factory land and building and personal guarantees of three Directors. Vehicles/ Equipments loans are secured by hypothecation of respective Vehicle/ equipments financed.

5. In the opinion of the management current assets, loans and advances are approximately of the value stated, if realized, in the ordinary course of business. The balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation/reconciliation.

6. Deferred tax asset comprised of the following: -

Rs. in lakhs

Particulars	As on 31.03.2010
Liability - Fixed Assets	29.02
Assets - Expenses allowable under Income Tax Act on payment basis	11.51
Net Deferred Tax Asset / (Liability)	**(17.51)**

7. Earning per share

Rs. in lakhs

Particulars	As on 31.03.2010
Profit for the year after Tax	1915.85
Weighted average No. Of equity Shares of Rs.10/- each for Basic EPS	7,500,000
Basic Earning per Share	25.54
Weighted average No. Of equity Shares of Rs.10/- each for Diluted EPS	7,500,000
Diluted Earning per Share	25.54

7. There is no separate reportable segment as per accounting standard AS-17.

8. Related Party Transactions are given in Annexure "G"

10. Turnover is net of Procurement and other related charges.

11. Expenditure and earning in foreign currency:-

Rs. in lakhs

Particulars	**For the year ended**
	March 31, 2010
Travelling Expenses	31.93
Tender Expenses	6.51
Purchase of Fixed Assets	21.82
Expenditure on Contract	608.45
Material	378.69
Service Charges	33.30
FOB Value of Net Exports	2413.47

12. Salary wages etc. includes Managerial Remuneration detailed as under:-

Rs. in lakhs.

Particulars	**For the year ended**
	March 31, 2010
Salary	60.00
HRA	29.76
Other Allowance	2.31
Commission	50.00
Total	**142.07**

13. Disclosure in accordance with AS-7 (revised 2002) issued by the ICAI for construction contracts, the amount upto the reporting date are as follows:

Rs. in lakhs

S. No.	**Particulars**	**As At 31.03.2010**
1	Contract Revenue	20148.83
2	Cost incurred on Contract	15477.70
3	Advance received	350.75
4	Amount of Retentions	2360.23
5	Amount due from Customers	5754.74
6	Contract Profit / losses recognized	4671.13

14. Since this is 1st year of applicability for preparation of consolidated financial statements, previous year figures have not been given.

15. Disclosure pursuant to Accounting Standard – 15

a) Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under: -

Particulars	Rs. in lakhs	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	23.06	Contribution to Provident Fund

b) Defined Benefit Plan

Movement in net liability

Rs. in lakhs

Particulars	Gratuity	Leave Encashment (Unfunded)
	March 31, 2010 (Funded)	March 31, 2010
Present value of obligations as at the beginning of the year (A)	35.30	13.30
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL
Interest Cost (C)	2.82	1.06
Past service cost	8.28	NIL
Current service cost (D)	7.28	4.89
Benefits paid (E)	NIL	0.40
Actuarial (gain) / loss on obligation (F)	1.22	(3.16)
Present value of obligations as at the end of year (G=A+B+C+D-E+F)	54.91	15.69

c) recognized in the balance sheet and Profit & loss account are as follows:

Particulars	Gratuity	Leave (Unfunded)
	March 31, 2010 (Funded)	March 31, 2010
Present value of obligation (A)	54.91	15.69
Estimated fair value of plan assets (B)	35.95	NIL
Net Liability (C=A-B)	18.96	15.69

Amounts in the Balance Sheet		
Liabilities	18.96	15.69

Amount charged to Profit & Loss Account		
Current Service Cost	7.28	4.89
Past service cost	8.28	NIL
Interest Cost	2.82	1.06
Expected return on plan assets	(0.80)	NIL
Actuarial (Gain)/Loss	(0.33)	(3.16)
	17.25	2.80
Head under which shown in the Profit & Loss account	Salaries, Wages, Gratuity, Bonus, Allowances etc.	Salaries, Wages, Gratuity, Bonus, Allowances etc.

d) Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Current Year	Previous Year
Discount Rate	8%	8%
Salary Escalation Rate	5%	5%
Expected rate of return on plan asset	9%	9%

Note: Retirement Benefit from the year ended March 31, 2008 the company had accounted for its Gratuity liability based on an actuarial valuation determined on the Projected Unit Credit method, consequent to adoption of AS 15 on Employee Benefits (revised 2005).

16. Un-hedged position of Foreign Exchange:-

Rs. in lakhs

Particulars	As At March 31, 2010	
	Amt (in Foreign Currency)	Amt (In INR)
- In Respect of receivables		
USD	17.14	770.96
EURO	7.91	480.78
ETB	0.00	0.00
GHS	0.03	1.02
KSH	1.54	0.93
	TOTAL	1253.68
- In Respect of Payable		
USD	17.59	790.83
EURO	2.32	140.92
GHS	0.02	0.68
ETB	2.76	12.37
KSH	60.99	36.74
	TOTAL	981.54

Annexure E

List of Contingent Liabilities Rs. in lakhs

Particulars	**As at**
	March 31, 2010
Bank guarantee & Letter of Credit Outstanding	12264.50
Sales Tax Matters	13.55
Claims Matters	14.92
Total	**12292.97**

Annexure F

Statement of Dividend declared

Rs. in lakhs

Particulars	**For the year ended**
	March 31, 2010
Equity Dividend	
Equity Share Capital	750.00
No. of Equity Shares of Rs. 10 each	75,00,000
Rate of Dividend	15%
Amount of Dividend	112.50
Tax on Dividend	18.68

Annexure G

<u>Details of Related Party Transactions</u>

(1) Name of Related Parties

(A) Key Management Person / Control
- (a) Avinash C.Gupta
- (b) Arjun Gupta
- (c) Nakul Gupta
- (d) Partha Chatterjee

(B) Enterprises under Common Control / enterprises where persons described in “A” above are able to exercise significant influence.
- Techfab International Pvt. Ltd. (formerly Techfab International)
- Techfab Systems Pvt. Ltd. (formerly Techfab Systems)

(C) Relatives of Key managerial Person:
   (a) Meera Gupta
   (b) Gunjan Gupta
   (c) Sucheta Sarvadaman Nakul

<u>Related Party Transactions:</u>

(A) Key Management Person / Control

Rs. in lakhs

Sr.No.	Particulars	For the year ended March 31, 2010
1.	Loan / Security / Advance Taken and recovery of advance given	145.00
2.	Loan / Security / Advance given	174.50
3.	Remuneration Paid:	142.07
4.	Reimbursement of Expenses:	36.54
5.	Dividend Paid:	26.18
6.	Outstanding Balance Payable as at year end:	
	- Payable in respect of Loan	119.50
	Payable in respect of Sundry Creditors	1.35

(B) Enterprises under Common Control / enterprises where persons described in "A" above are able to exercise significant influence.

Rs. in lakhs

Sr.No.	Particulars	For the year ended March 31, 2010
1.	Reimbursement of Expenses:	3.59
2	Loan / Security / Advance Taken and recovery of advance given	75.29
3.	Loan/ Security/ Advance given	127.29
4.	Sales	104.00
5.	Outstanding Balance Receivable as at year end:	
	- Receivable in respect of Sundry Debtors including service tax	112.42

(B) Relatives of Key managerial Person:

Rs. in lakhs

Sr.No.	Particulars	For the year ended March 31, 2010
1.	Dividend Paid:	10.57

Details of related party transactions for each related party

(A) <u>Key Management Person / Control</u>

(a) <u>Avinash C.Gupta</u>

Rs. In lakhs

Sr. No.	Particulars	For the year ended March 31, 2010
1.	Loan / Security / Advance given	99.50
2.	Remuneration Paid	70.00
3.	Reimbursement of Expenses	27.07
4.	Dividend Paid	17.54
5.	Outstanding Balance Payable as at year end:	
	- Payable in respect of Loan	49.50
	- Payable in respect of Sundry Creditors	0.19

(b) Arjun Gupta

Rs. in lakhs

Sr. No.	Particulars	For the year ended March 31, 2010
1.	Loan / Security / Advance Taken and recovery of advance given	145.00
2.	Loan / Security / Advance given	75.00
3.	Remuneration Paid	34.10
4.	Reimbursement of Expenses	7.90
5.	Dividend Paid	4.33
6.	Outstanding Balance Payable as at year end:	
	- Payable in respect of Loan	70.00

(c) Nakul Gupta

Rs. in lakhs

Sr. No.	Particulars	For the year ended March 31, 2010
1.	Remuneration Paid	34.10
2.	Reimbursement of Expenses	1.57
3.	Dividend Paid	4.31
4.	Outstanding Balance Payable as at year end:	0.00

(d) Partha Chatterjee

Rs. in lakhs

Sr. No.	Particulars	For the year ended March 31, 2010
1.	Remuneration Paid	3.87
	Payable in respect of Sundry Creditors	1.16

(B) Enterprises under Common Control / enterprises where persons described in "A" above is able to exercise significant influence.

- Techfab International Pvt. Ltd. (formerly Techfab International)

Rs. in lakhs

Sr. No.	Particulars	For the year ended March 31, 2010
1.	Reimbursement of Expenses	3.59
2	Loan / Security / Advance Taken and recovery of advance given	75.00
3.	Loan/ Security/ Advance given	127.00
4.	Outstanding Balance Payable as at year end:	

- Techfab Systems Pvt. Ltd. (formerly Techfab Systems)

Rs. in lakhs

Sr. No.	Particulars	For the year ended March 31, 2010
1.	Loan / Security / Advance Taken	0.29
2.	Loan / Security / Advance given	0.29
3.	Sales	104.00
4.	Outstanding Balance Receivable as at year end:	
	- Receivable in respect of Sundry Debtors including service tax	112.42

(C) Relatives of Key managerial Person:

Meera Gupta

Rs. in lakhs

Sr.No.	Particulars	For the year ended March 31, 2010
1.	Dividend Paid	10.34

Gunjan Gupta:

Rs. in lakhs

Sr.No.	Particulars	For the year ended March 31, 2010
1.	Dividend Paid	0.12

Sucheta Sarvadaman Nakul:

Rs. in lakhs

Sr.No.	Particulars	For the year ended March 31, 2010
1.	Dividend Paid	0.12

Annexure H

Details of Other Income

Rs.in lakhs

Particulars	For the year ended March 31, 2010	Nature of Income (Recurring/ Non-recurring)	Related or not related to business activity
Other Income			
Miscellaneous Income	13.02	Non-Recurring	Not-Related
Dividend received	0.00	Non-Recurring	Not-Related
Total (Gross other income)	**13.02**	-	-
Net Profit before tax as restated	**2934.84**	-	-
% of net profit	**0.44**	-	-

Detail of Miscellaneous Income

Rs.in lakhs

Particulars	For the year ended March 31, 2010	Nature of Income (Recurring/Non-recurring)	Related or not related to business activity
Miscellaneous Income			
Miscellaneous receipts	13.02	Non-Recurring	Not-Related
Exchange rate variation	0.00	Non-Recurring	Not-Related
Interest on Income tax refund	0.00	Non-Recurring	Not Related
Profit of sale of fixed assets	0.00	Non-Recurring	Not-Related
Total	**13.02**	-	-

Annexure I

Summary of Accounting ratios

Particulars	As at March 31, 2010
Earnings per Share	
Basic-Rs	25.54
Diluted- Rs	25.54

Net Asset Value per Share- (Rs)	66.90
Return on Net Worth (%)	38.18
Weighted Average number of Equity shares outstanding during the year considered for Basic EPS and Net Asset Value per Share	75,00,000
Weighted Average number of Equity shares outstanding during the year considered for Diluted EPS	75,00,000

Notes:

$$\text{Basic Earnings Per Share (Rs.)} = \frac{\text{Net Profit after Tax}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{Diluted Earnings Per Share (Rs.)} = \frac{\text{Net Profit after Tax}}{\text{Weighted Average Number of Diluted Equity Shares outstanding during the year}}$$

$$\text{Net Asset Value Per Share (Rs.)} = \frac{\text{Net worth}}{\text{Number of Equity Shares outstanding during the year}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit after Tax}}{\text{Net worth}}$$

Net Worth = Equity Share Capital + Reserves & Surplus – Miscellaneous Expenditure

Net Profit, as restated as appearing in the summary statement of profit and losses, of the company has been considered for the purpose of computing the above ratios

Annexure J

Statement of Secured Loans

Rs. in lakhs

Particulars	**As at**
	March 31, 2010
Term Loan	0.00
Cash Credit facility	1402.84
Vehicles/Equipment Loans	114.51
Overdraft on FDR	0.00
Total	**1517.35**

Details of Secured Loans as on March 31, 2010

Rs. in lakhs

Sr. No.	**Nature of borrowing / debt**	**Name of the Institution**	**Sanctioned Amount**	**Outstanding Amount**	**Interest Rate p.a.**	**Repayment Terms**	**Security**
1	Equipment Loan	Tata Capital Ltd.	14.95	6.51	6.525	Payable in 35 EMIs	Equipment Financed
2	Equipment Loan	Tata Capital Ltd.	14.95	6.51	6.525	-Do-	Equipment Financed
3	Equipment Loan	Tata Capital Ltd.	7.43	3.40	6.89	-Do-	Equipment Financed
4	Equipment Loan	Tata Capital Ltd.	14.81	8.06	6.088	-Do-	Equipment Financed
5	Equipment Loan	Tata Capital Ltd.	34.24	19.76	7.307	-Do-	Equipment Financed
6	Equipment Loan	Tata Capital Ltd.	8.10	4.67	7.306	-Do-	Equipment Financed
7	Equipment Loan	Tata Capital Ltd.	16.20	9.35	7.306	-Do-	Equipment Financed

8	Equipment Loan	Tata Capital Ltd.	12.37	7.31	8.45	-Do-	Equipment Financed
9	Equipment Loan	Tata Capital Ltd.	44.55	28.08	7.318	-Do-	Equipment Financed
10	Equipment Loan	HDFC Bank Ltd.	12.00	9.57	10.37	-Do-	Equipment Financed
11	Equipment Loan	HDFC Bank Ltd.	7.50	5.98	10.37	-Do-	Equipment Financed
12	Vehicle Loan	Kotak Mahindra Prime Ltd.	13.34	5.07	13.504	-Do-	Vehicle Financed
13	Vehicle Loan	Kotak Mahindra Prime Ltd.	7.73	0.00	15.705	-Do-	Vehicle Financed
14	Vehicle Loan	ICICI Ltd.	2.50	0.24	11.37	Payable in 36 EMIs	Vehicle Financed
15	Cash Credit Facility	Axis Bank	500.00	486.95	12.00	Running Account	Stock-15% & Book Debts Cover 120 days-30% & Cover 121 days to 270 days-35% and pari passu charge by way of equitable mortgage on land, building, plant & machinery situated at Plot no. 5 sec.27c Faridabad
16	Cash Credit Facility	Bank of India	450.00	369.60	12.00	Running Account	Stock-25%, Book Debt & Retention Money upto 120 days-30%,121 days to 270 days-35%, Above 270 days-100% and pari passu charge by way of equitable mortgage on land, building, plant & machinery situated at Plot no. 5 sec.27c Faridabad
17	Cash Credit Facility	State Bank of Mysore	250.00	246.91	12.00	Running Account	Stock-25% Book Debt upto 120 days-30%,121 days to 180 days-35%, and pari passu charge by way of equitable mortgage on land, building, plant & machinery situated at Plot no. 5 sec.27c Faridabad
18	Cash Credit Facility	ICICI Bank Ltd.	300.00	299.38	12.00	Running Account	Stock-25% Book Debt upto 90 days-25% and pari passu charge by way of equitable mortgage on land, building, plant & machinery situated at Plot no. 5 sec.27c Faridabad
	TOTAL			**1517.35**			

Annexure K

Statement of Unsecured Loans

Rs in lakhs

Particulars	**As at March 31, 2010**
Loan from Corporates	303.98
Loan from Directors	119.50
Total	**423.48**

Details of Unsecured loans outstanding as on March 31, 2010

Rs in lakhs

Sr. No.	**Particulars of Loan**	**Bank/Parties Name**	**Outstanding Amount**	**Interest Rate p.a**	**Repayment Terms**
1	Loan from Corporate	KEI Industries Ltd.	245.39	9%	Payable on Demand
2	Loan from Corporate	Maryada Commercial Enterprises & Investment Company Ltd.	34.59	9%	Payable on Demand
3	Loan from Corporate	Soubhagaya Agency Pvt. Ltd.	24.00	Interest free	Payable on Demand
4	Loan from Director	Avinash C Gupta	49.50	Interest Free	Payable on Demand
5	Loan from Director	Arjun Gupta	70.00	Interest Free	Payable on Demand
	Total		**423.48**		

Annexure L

Details of Current Liabilities & Provisions

Rs. in lakhs

Particulars	**As at March 31, 2010**
Current Liabilities	
Sundry Creditors	2365.97
Advance from Customers	350.75
Other Liabilities	1135.29
Total Current Liabilities	**3852.01**
Provisions	
Provision for taxes	1003.20
Provision for FBT	0.00
Proposed Dividend	112.50
Dividend Tax on proposed dividend	18.68
Retirement Benefits (Provision for Leave Encashment & Gratuity)	34.65
Provision for Wealth Tax	0.90
Total Provisions	**1169.93**

Annexure M

Statement of Sundry Debtors

Rs. in lakhs

Particulars	**As at March 31, 2010**
Outstanding for a period exceeding six months	
- Considered good	377.18
Other Debts	

Particulars	As at
	March 31, 2010
- Considered good	5372.44
Total	**5749.62**

Note: There are no beneficiaries of debtors of the Company who are in any way related to the Promoters / directors/ Company as on March 31, 2010.

Annexure N

Details of Loans and Advances

Rs.in lakhs

Particulars	
	March 31, 2010
Advances recoverable in cash or in kind or for value to be received	629.34
Retention Money	2360.23
Advances with Income Tax, Sales Tax, Excise, Customs etc.	1095.78
Deposit with Govt. Departments & Other	111.20
Total	**4196.55**

Note: There are no beneficiaries of loans and advances of the Company who are in any way related to the Promoters / directors/ Company as on March 31, 2010.

Annexure O

Details of Investments

Rs.in lakhs

Particulars	As at
	March 31, 2010
Non-Traded Investments- Quoted	
- Quoted	0.00
- Unquoted	
- JM Agri & Infra Fund	20.00
- IDFC Monthly Income Plan	10.00
Net Investments	**30.00**
NAV of Unquoted Investments JM Agri & Infra Fund IDFC Monthly Income Plan	 5.91 10.17
Market value of Quoted Investments	**N.A.**

Annexure P

Capitalization Statement

Rs.in lakhs

Particulars	Pre-Issue	Post-Issue*
	As per the latest Audited Statements	
Debt		
Short Term Debt	1403.08	[●]
Long Term Debt	114.27	[●]
Total Debt	**1517.35**	**[●]**
Shareholders' Fund		
Share Capital		
- Equity	750.00	[●]
Reserves	4267.67	[●]
Total Shareholders' Fund	**5017.67**	**[●]**
Long term Debt/ Shareholders' Funds (Ratio)	**0.02**	**[●]**

Note: 1. The capitalization statement has been calculated on the basis of restated financial statements.
***** 2. Post Issue share capital and reserves can be ascertained only on conclusion of the book building process and hence post issue capitalisation shall be updated before filing of the prospectus.

Annexure Q

Segmental Reporting: The Company's business activities fall within a single segment. Therefore, segment information as accounting standard 17 is not required to be disclosed.

Restated Standalone Financial Information.

The Board of Directors,
Technofab Engineering Limited
507, Eros Apartments ,56 Nehru Place
New Dehli-110019

Dear Sirs,

We have examined the annexed restated standalone financial information of Technofab Engineering Limited (the "Company") for the five financial years ended March 31, 2010, 2009, 2008, 2007 and 2006 being the last date to which the accounts of the Company have been made up and audited by us. The financial statements for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 are approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Initial Public Offering of Equity Shares in the Company (referred to as 'the Issue'), which is in accordance with

(i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 ('the SEBI ICDR Regulations 2009') in pursuant to section 11 of SEBI Act 1992 and related amendments/clarifications.

(iii) Our terms of reference with the Company Letter dated July 8, 2009 requesting us to carry out work in connection with the Offer Document as aforesaid.

Financial Information as per audited financial statements

3. We report that the restated assets and liabilities of the Company as at March 31, 2010, 2009, 2008, 2007 and 2006 are as set out in Annexure A to this report after making such adjustments/ restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in Annexure D to this report.

4. We report that the restated profits of the Company for the financial years ended March 31, 2010, 2009, 2008, 2007 and 2006 are as set out in Annexure B to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in Annexure D to this report.

3. We report that the restated cash flow of the Company for the financial years ended March 31, 2010, 2009, 2008, 2007 and 2006 are as set out in Annexure C to this report after making such adjustments/ restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in Annexure D to this report.

Other Financial Information

4. We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

Annexure
Annexure A: Summary of Restated Assets & Liabilities
Annexure B: Summary of Restated Profit & Loss Account
Schedule I : Profit & Loss Account as on 01.04.2005 (Restated)
Schedule IA: Statement of Impact on Profit and Loss due to restatements and other material adjustments made to audited financial statement.
Annexure C: Summary of Restated Cash Flow Statements
Annexure D: Significant Accounting Policies and Notes to Accounts

Annexure E: Statement of Contingent Liabilities
Annexure F: Statement of Dividend Declared
Annexure G: Details of Related Party Transactions
Annexure H: Details of Other Income
Annexure I: Summary of Accounting Ratios
Annexure J: Statement of Secured Loans
Annexure K: Statement of Unsecured Loans
Annexure L: Schedule for Current Liabilities & Provisions
Annexure M: Statement of Sundry Debtors
Annexure N: Details of Loans and Advances
Annexure O: Details of Investments
Annexure P: Capitalization Statement
Annexure Q: Statement of Tax Shelters
Annexure R: Segment Reporting
Annexure S I: Restated Summary of Assets & Liabilities of Rivu Infrastructural Developers Pvt. Ltd.
Annexure S II: Restated Summary of Profit & Loss of Rivu Infrastructural Developers Pvt. Ltd
Annexure S III: Restated Summary of Cash Flow statement of Rivu Infrastructural Developers Pvt. Ltd

5. In our opinion the above financial information read with the significant accounting policies and notes to accounts is prepared after making adjustments and regrouping as considered appropriate in accordance with Part IIB of Schedule II of the Act and the SEBI (ICDR) Regulations 2009.

6. This report is intended solely for the use of management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company and should not be used for any other purpose except with our consent in writing.

7. This report should not in any ways be construed as a re-issuant or re-dating of any of the previous audit report issued by us nor should it be construed as a new opinion on any financial statement referred to therein.

For and on behalf of
Rajesh Suresh Jain & Associates
Chartered Accountants

Sd/-
Rajesh Jain
Proprietor
Membership No.098229

Date: 24 May 2010
Place: New Delhi

Annexure A

Summary of Restated Assets & Liabilities

Rs. in lakhs

Particulars	As at				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
A. Fixed Assets					
Gross Block	897.90	632.93	344.45	296.42	297.69
Less: Accumulated Depreciation	349.78	217.00	133.36	198.11	193.88
Net block	**548.12**	**415.93**	**211.09**	**98.31**	**103.81**
B. Investments	**35.01**	**20.00**	**70.00**	**1.62**	**1.62**
C. Deferred Tax Asset	**0.00**	**0.00**	**5.66**	**21.49**	**11.90**
D. Current Assets, Loans and Advances					
Sundry debtors	5635.57	3189.35	2759.88	2637.62	2868.98
Cash & Bank Balances	1102.03	2410.57	631.83	147.56	203.82
Inventories	345.02	450.33	430.08	379.18	339.03
Loans & Advances	4122.63	3224.71	1533.74	1106.24	1011.82
Total (D)	**11205.25**	**9274.96**	**5355.53**	**4270.60**	**4423.65**
E. Liabilities & Provisions					
Current Liabilities & Provisions	4832.32	4867.19	3086.26	1533.48	936.19
Secured Loan	1517.35	1183.33	421.49	1048.23	2018.11
Unsecured Loan	423.48	437.85	0.00	409.82	262.09
Total (E)	**6773.15**	**6488.37**	**3507.75**	**2991.53**	**3216.39**
F. Deferred Tax Liability	**17.51**	**2.63**	**0.00**	**0.00**	**0.00**
G. Net Worth (A+B+C+D-E-F)	**4997.71**	**3219.89**	**2134.53**	**1400.49**	**1324.59**
Net Worth represented by:					
H. Equity Share Capital	**750.00**	**750.00**	**750.00**	**700.00**	**700.00**
I. Reserves and Surplus					
Share Premium	600.00	600.00	600.00	400.00	400.00
Profit and Loss Account	1335.46	1057.64	472.28	187.54	111.64
General Reserve	2312.25	812.25	312.25	112.95	112.95
Total (I)	**4247.71**	**2469.89**	**1384.53**	**700.49**	**624.59**
J. Net Worth (H+I)	**4997.71**	**3219.89**	**2134.53**	**1400.49**	**1324.59**

Note: The above statement should be read with the significant accounting policies and notes to accounts appearing in Annexure D.

Annexure B

Summary of Restated Profit & Loss Account

Rs. in lakhs

Particulars	For the year ended				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
A. Income					
Turnover	20037.02	14930.57	8099.46	6135.94	5391.06
Other Income	11.19	26.10	63.59	25.09	8.99
Total-(A)	**20048.21**	**14956.67**	**8163.05**	**6161.03**	**5400.05**
B. Expenditure					
Expenditure on contracts	15403.25	11772.29	6649.75	5580.55	4849.79
Employee Remuneration & benefits	591.91	413.40	180.55	85.71	80.16
Administration & Other Expenses	676.33	585.55	357.83	183.05	195.65

Particulars	For the year ended				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Interest & Finance Charges	316.63	282.28	147.96	158.99	207.13
Depreciation	135.29	101.87	25.99	32.74	12.49
Total-(B)	**17123.41**	**13155.39**	**7362.08**	**6041.04**	**5345.22**
C. Profit before taxation (A-B)	**2924.80**	**1801.28**	**800.97**	**119.99**	**54.83**
Less: Provision for taxation					
-Current	1000.00	610.00	250.00	60.00	4.40
-Deferred	14.89	8.28	16.18	(21.49)	0.00
-Fringe benefit tax	0.00	9.50	6.30	2.70	2.53
-Wealth Tax	0.90	0.39	0.10	0.00	0.00
Profit After Taxation as per audited statement of accounts (C)	**1909.02**	**1173.11**	**528.39**	**78.78**	**47.90**
- Residual Tax adjustments	0.00	4.42	(2.32)	0.14	0.00
D. Net Profit After Taxation as per audited statement of accounts	**1909.02**	**1168.69**	**530.71**	**78.64**	**47.90**
ADJUSTMENTS Impact of material adjustment for restatement in corresponding years (See Schedule IA)	0.00	4.42	(2.10)	(2.74)	2.77
Adjusted Net Profit	**1909.02**	**1173.11**	**528.61**	**75.90**	**50.67**
Surplus/(Deficit) brought forward from the Previous year	1057.64	472.28	187.54	111.64	60.97
E. Profit available for appropriation	**2966.65**	**1645.39**	**716.15**	**187.54**	**111.64**
Transfer to General Reserve	1500.00	500.00	200.00	0.00	0.00
Proposed equity dividend (Interim/Final)	112.50	75.00	37.50	0.00	0.00
Tax on dividend	18.68	12.75	6.37	0.00	0.00
F. Adjusted Available Surplus/(Deficit) carried forward	**1335.46**	**1057.64**	**472.28**	**187.54**	**111.64**

Note: The above statement should be read with the significant accounting policies and notes to accounts appearing in Annexure D.

Schedule I Profit and Loss Account as at April 1, 2005 (Restated)

Profit and Loss Account as at April 1, 2005 (Restated)	Rs. in Lakhs
Profit & Loss Account as at April 1, 2005	63.32
- Depreciation	9.07
+ Deferred Tax Adjustment	6.72
Restated Profit as on April 1, 2005	60.97

Schedule – I A (Statement of Impact on Profit and Loss due to restatement and other material adjustments made to audited financial statement)

Rs. in lakhs

Particulars	For the year ended				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Net Profit After Tax as per audited Profit and Loss Account	1909.02	1168.69	530.71	78.64	47.90
Adjustment on account of Deferred Tax (See note below)	0.00	0.00	0.00	(11.90)	5.18
Income Tax adjustment	0.00	4.42	(2.10)	(2.18)	(0.14)

Particulars	For the year ended				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Depreciation	0.00	0.00	0.00	11.34	(2.27)
Total Impact	**0.00**	**4.42**	**(2.10)**	**(2.74)**	**2.77**
Adjusted Net Profit	**1909.02**	**1173.11**	**528.61**	**75.90**	**50.67**

Note: Deferred Tax

The Company has adopted Accounting Standard 22 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India. Accordingly Deferred tax is provided by the company with effect from financial year ending March 31, 2007 onwards including the deferred tax of earlier years. For the purpose of this statement, the deferred tax assets/liabilities has been recognized in the respective years to which they relate.

Annexure C

Summary of restated Cash flow Statements

Rs. in lakhs

Particulars	For the year ended				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before taxation and extraordinary items before restatement :	**2924.80**	**1801.28**	**800.97**	**119.99**	**54.83**
Add / Less :- Adjustment for increase / decrease in depreciation due to restatement	0.00	0.00	0.00	11.34	(2.27)
Net Profit before taxation and extraordinary items after restatement :	**2924.80**	**1801.28**	**800.97**	**131.33**	**52.56**
Adjustments for:					
Depreciation	135.29	101.87	25.99	21.40	14.76
Finance Charges	316.64	282.28	147.96	158.99	207.13
Loss on sale of fixed assets (net)	0.96	0.62	3.06	2.33	2.38
Provisions for Leave Encashment	2.40	3.14	6.72	0.86	(2.46)
Provisions for Gratuity	17.25	0.49	12.30	2.31	(4.89)
Dividend Received	0.00	(0.24)	(27.03)	(0.18)	(0.03)
Cash generated from operations before Working Capital Changes	**3397.34**	**2189.44**	**969.97**	**317.04**	**269.45**
Adjustments for:					
Changes in Trade and Other Receivables	(2446.22)	(420.32)	(126.33)	226.50	(132.88)
Loans & Advances	(676.61)	(1419.83)	(219.30)	(47.27)	250.52
Inventories	105.31	(20.24)	(50.90)	(40.15)	157.37
Changes in Trade & Other Payables	(454.23)	1378.01	1296.71	541.49	(259.34)
Cash generated from/(used in) Operations	**(74.40)**	**1707.06**	**1870.15**	**997.61**	**285.12**
Income Taxes paid (net)	(862.63)	(511.04)	(238.23)	(48.90)	(1.51)
Net Cash Flow from /(used in) Operating Activities	**(937.03)**	**1196.02**	**1631.92**	**948.71**	**283.61**
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES					
Purchase of Fixed Assets	(270.95)	(341.09)	(149.29)	(21.75)	(9.43)
Sale of Fixed Assets	(0.83)	0.05	7.70	7.23	9.65
(Purchase)/Sale of Investments (net)	(15.01)	50.00	(98.58)	0.00	0.00
Dividend Received	0.00	0.24	27.03	0.18	0.03
Net Cash from / (used in) Investing Activities	**(286.79)**	**(290.80)**	**(213.14)**	**(14.34)**	**0.25**
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES					

Proceeds from Issue of Shares/Share Application Money	0.00	0.00	250.00	0.00	0.00
Proceeds/(Repayment) from/of Short Term borrowings (net)	(14.37)	437.84	(409.82)	(4.69)	12.01
Proceeds/(Repayment) from/of Long Term Borrowings (net)	334.03	761.84	(626.73)	(826.94)	(0.05)
Finance Charges	(316.63)	(282.28)	(147.96)	(158.99)	(207.13)
Dividend Paid (including dividend distribution tax)	(87.75)	(43.87)	0.00	0.00	0.00
Net Cash from / (used in) Financing Activities	**(84.72)**	**873.53**	**(934.51)**	**(990.62)**	**(195.17)**
Net increase / (decrease) in Cash and Cash Equivalents	**(1308.55)**	**1778.75**	**484.27**	**(56.25)**	**88.68**
Cash and Cash Equivalents at the beginning of the period/year	**2410.57**	**631.82**	**147.55**	**203.80**	**115.12**
Cash and Cash Equivalents at the end of the period/year	**1102.02**	**2410.57**	**631.82**	**147.55**	**203.80**
Components of cash and cash equivalent					
- Cash and cheques on hand	5.50	86.72	15.51	56.34	16.98
- With banks - On current account	27.05	509.14	330.45	2.49	101.59
- On deposit account restricted	1069.47	714.71	285.85	88.35	85.36
- On deposit account unrestricted	0.00	1100.00	0.00	0.00	0.00

Note: The above statement should be read with the significant accounting policies and notes to accounts appearing in Annexure D.

Annexure D

Significant Accounting Policies and Notes to Accounts

I) Significant Accounting Policies:

1. **<u>Basis of preparation of financial statements</u>:**

i) The Financial Statements have been prepared under the Historical Cost Convention method in accordance with the generally accepted Accounting Principles and the Accounting Standard referred to Section 211(3C) of the Companies Act, 1956.

ii) USE OF ESTIMATES: - The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumption that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2. **<u>Recognition of Income/Expenditure:</u>**

All expenditure and income are accounted for on accrual basis except as otherwise stated.

Income which arises out of invoicing of contract work and the contract costs which are accounted on accrual basis are both credited to income or charged to revenue, as the case may be, only after at least 10% of the total estimated contract costs (i.e. direct and indirect costs) are incurred (on accrual basis). Till such time, all the costs are carried forward to the next accounting year as “Work in Progress” under “Inventories” and recognition of revenue is correspondingly postponed. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected contract costs of the job. Direct costs include all expenses specifically attributable to the contract. Variation in Cost and Profit is recognized by evaluation of the percentage of work completed at the end of the accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected contract costs of the job. Estimates of contract costs are updated each year by technical certification.

Other items of the revenue are recognized in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India. Accordingly, wherever there are uncertainties in the ascertainment/ realisation of income, the same is not accounted for.

3. **Fixed Assets:**

a) All fixed assets are stated at historical cost less depreciation.
b) Depreciation is provided on straight-line method at the rates specified in Schedule XIV of Companies Act, 1956.

4. **Inventories:**

Inventories are valued at lower of cost or net realizable value.

5. Employee benefits:

Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under:

i. Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.

ii. Employee benefits under defined contribution plans comprise of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Profit & Loss account.

iii. Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with LIC of India.

iv. Termination benefits are recognized as an Expense as and when incurred.

v. The actuarial gains and losses arising during the year are recognized in the Profit & Loss account of the year without resorting to any amortization.

6. Investment:

Investments Long Term are stated at cost. Provision for diminution is made which is other than temporary.

7. Foreign exchange transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which they are adjusted to the carrying cost of such assets. However, in contracts for overseas projects where payment has been made in designated foreign currencies, since the exchange rates are prefixed and therefore consistently translated at the contractual rates of exchange, difference, if any, from these contractual rates to the rates existing on the date of the transaction have been accounted as “Exchange Rate fluctuation”. Foreign Currency transactions remaining unsettled at the year end are translated at the year end closing rate.

8. Taxes on Income

Tax expenses comprise current tax, deferred tax & wealth tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

9. Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

10. <u>Contingencies</u>

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

II. NOTES ON ACCOUNTS

1. Contingent Liabilities: Disclosure for contingent liabilities is given in Annexure E.

2. Fixed Deposits/cash margin with banks as mentioned below are under lien with banks as per banking arrangements:

Rs. in lakhs

For the year ended				
March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1045.17	674.62	277.12	88.35	77.80

3. Loan from Banks (working capital facilities) are secured against tangible movable assets including stock, stores and book debts of the Company and against equitable mortgage of the Company's immovable properties comprising land, building and other structures and fittings, fixed plant and machinery and other fixtures and fittings erected or installed at factory land and building and personal guarantees of three Directors. Vehicles/ Equipments loans are secured by hypothecation of respective Vehicle/ equipments financed.

4. In the opinion of the management current assets, loans and advances are approximately of the value stated, if realized, in the ordinary course of business. The balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation/reconciliation.

5. Deferred tax asset / liabilities comprised of the following: -

Rs. in lakhs

	As at				
Particulars	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Liability - Fixed Assets	29.02	16.14	10.87	8.65	6.16
Assets - Expenses allowable under Income Tax Act on payment basis	11.51	13.51	16.53	30.14	18.07
Net Deferred Tax Asset / (Liability)	**(17.51)**	**(2.63)**	**5.66**	**21.49**	**11.91**

6. Earning per share

Rs. in lakhs

	As at				
Particulars	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Profit for the period/year after Tax (in lakhs)	1902.02	1173.11	528.61	75.90	50.67
Weighted average No. Of equity Shares of Rs.10/- each for Basic EPS	75,00,000	75,00,000	75,00,000	70,00,000	70,00,000
Basic Earning per Share (Rs.)	25.45	15.64	7.04	1.08	0.72
Weighted average No. Of equity Shares of Rs.10/- each for Diluted EPS	75,00,000	75,00,000	73,30,100	70,00,000	70,00,000
Diluted Earning per Share (Rs.)	25.45	15.64	7.21	1.08	0.72

7. Related Party Transactions are given in Annexure "G"

8. Expenditure and earning in foreign currency:-

Rs. in lakhs

Particulars	**For the year ended**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Travelling Expenses	31.93	19.38	33.00	8.16	2.76
Tender Expenses	6.51	1.64	1.26	1.38	0.00
Purchase of Fixed Assets	21.82	1.02	39.25	0.00	0.00
Expenditure on Contract	608.45	677.22	601.70	0.00	0.00
Material	378.69	976.84	811.25	0.00	0.00
Service Charges	33.30	916.69	2.49	0.00	0.00
FOB Value of Net Exports	2413.47	4550.89	3442.48	36.02	197.49

9. Salary wages etc. includes Managerial Remuneration detailed as under:-

Rs. in lakhs

Particulars	**For the year ended**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Salary	58.80	31.20	8.40	0.00	0.00
HRA	29.40	15.60	4.20	0.00	0.00
Commission	50.00	40.00	0.00	0.00	0.00
Total	**138.20**	**86.80**	**12.60**	**0.00**	**0.00**

10. For the purpose of preparation of aforesaid restated accounts all material items / figures for the year ended March 31, 2009, 2008, 2007 and 2006 have been regrouped / rearranged as per the grouping / presentation of year ended March 31, 2010.

11. Interest & Finance Charges are net off interest income on FDR.

12. The nature of business of the company is such that it is not practicable to give quantitative information.

13. Disclosure in accordance with AS-7 (revised 2002) issued by the ICAI for construction contracts, the amount upto the reporting date are as follows:

Rs. in lakhs

S. No.	**Particulars**	**For the year ended**				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1	Contract Revenue	20037.02	14930.57	8099.46	6135.94	5391.06
2	Cost incurred on Contract	15403.25	11772.29	6649.75	5580.55	4849.79
3	Advance received	350.75	1795.88	1242.77	474.11	97.62

S. No.	Particulars	For the year ended				
		March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
4	Amount of Retentions	2360.23	1504.62	644.16	618.56	507.52
5	Amount due from Customers	5635.57	3189.35	2759.88	2637.62	2868.98
6	Contract Profit / Losses Recognized	4633.77	3158.28	1449.71	555.39	541.27

14. Disclosure pursuant to Accounting Standard – 15

a) Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under: -

Particulars	March 31, 2010	March 31, 2009	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	23.06	15.30	Contribution to Provident Fund

b) Defined Benefit Plan

Movement in net liability

Rs. in lakhs

Particulars	Gratuity		Leave Encashment (Unfunded)	
	March 31, 2010 (Funded)	March 31, 2009 (Unfunded)	March 31, 2010	March 31, 2009
Present value of obligations as at the beginning of the year (A)	35.30	36.73	13.30	11.92
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	2.82	2.94	1.06	0.95
Past service cost	8.28	NIL	NIL	NIL
Current service cost (D)	7.28	4.95	4.89	4.85
Benefits paid (E)	NIL	2.50	0.40	1.72
Actuarial (gain) / loss on obligation (F)	1.22	(6.82)	(3.16)	(2.70)
Present value of obligations as at the end of year (G=A+B+C+D-E+F)	54.91	35.30	15.69	13.30

c) The amounts recognized in the balance sheet and Profit & loss account are as follows:

Particulars	Gratuity		Leave (Unfunded)	
	March 31, 2010 (Funded)	March 31, 2009 (Unfunded)	March 31, 2010	March 31, 2009
Present value of obligation (A)	54.91	35.30	15.69	13.30
Estimated fair value of plan assets (B)	35.95	8.84	NIL	NIL
Net Liability (C=A-B)	18.96	26.46	15.69	13.30

Amounts in the Balance Sheet				
Liabilities	18.96	26.46	15.69	13.30

Amount charged to Profit & Loss Account				
Current Service Cost	7.28	4.95	4.89	4.84
Past service cost	8.28	NIL	NIL	NIL

Amount charged to Profit & Loss Account				
Interest Cost Expected return on plan assets	2.82 (0.80)	2.94 NIL	1.06 NIL	0.95 NIL
Actuarial (Gain)/Loss	(0.33)	(7.40)	(3.16)	(2.70)
	17.25	0.49	2.80	3.09
Head under which shown in the Profit & Loss account	Salaries, Wages, Gratuity, Bonus, Allowances etc.		Salaries, Wages, Gratuity, Bonus, Allowances etc.	

d) Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Current Year	Previous Year
Discount Rate	8%	8%
Salary Escalation Rate	5%	5%
Expected rate of return on plan asset	9%	9%

Note: Retirement Benefit from the year ended March 31, 2008 the company had accounted for its Gratuity liability based on an actuarial valuation determined on the Projected Unit Credit method, consequent to adoption of AS 15 on Employee Benefits (revised 2005). However, necessary adjustments and disclosures for other periods have not been done due to non availability of relevant data for those periods.

15. Un-hedged position of Foreign Exchange:-

Rs. in lakhs

Particulars	As At March 31, 2010		As At March 31, 2009		As At March 31, 2008		As At March 31, 2007		As At March 31, 2006	
	Amt (in Foreign Currency)	Amt (In INR)	Amt (in Foreign Currency)	Amt (In INR)	Amt (in Foreign Currency)	Amt (In INR)	Amt (in Foreign Currency)	Amt (In INR)	Amt (in Foreign Currency)	Amt (In INR)
- In Respect of receivables										
USD	17.14	770.96	2.07	101.77	16.87	673.18	0.80	33.91	1.54	67.99
EURO	7.91	480.78	15.76	1063.67	0.00	0.00	0.00	0.00	0.00	0.00
ETB	0.00	0.00	2.37	10.62	0.00	0.00	0.00	0.00	0.00	0.00
GHS	0.03	1.02	0.00	0.00	0.05	2.29	0.00	0.00	0.00	0.00
KSH	1.54	0.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZMK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1641.84	21.51
TOTAL		**1253.68**		**1176.06**		**675.47**		**33.91**		**89.50**
- In Respect of Payable										
USD	17.59	790.83	2.20	112.31	4.87	194.15	0.00	0.00	0.00	0.00
EURO	2.32	140.92	1.43	96.48	0.00	0.00	0.00	0.00	0.00	0.00
GHS	0.02	0.68	0.84	30.08	1.18	51.15	0.00	0.00	0.00	0.00
ETB	2.76	12.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KSH	60.99	36.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		**981.54**		**238.87**		**245.30**				

Annexure E

List of Contingent Liabilities

Rs. in lakhs

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Bank guarantee & Letter of Credit Outstanding	12264.50	6384.65	3710.47	1288.88	1403.65

Particulars	As at				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Sales Tax Matters	13.55	14.13	30.07	32.06	31.56
WCT Matters	0.00	0.00	0.00	0.00	40.25
Claims Matters	14.92	14.92	15.91	17.55	75.27
Total	**12292.97**	**6413.70**	**3756.45**	**1338.49**	**1550.73**

Annexure F

Statement of Dividend declared

Rs. in lakhs

Particulars	For the year ended				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Equity Dividend					
Equity Share Capital	750.00	750.00	750.00	700.00	700.00
No. of Equity Shares of Rs. 10 each	75,00,000	75,00,000	75,00,000	70,00,000	70,00,000
Rate of Dividend	15%	10%	5%	0.00	0.00
Amount of Dividend	112.50	75.00	37.50	0.00	0.00
Tax on Dividend	18.68	12.75	6.37	0.00	0.00

Annexure G

Details of Related Party Transactions

(1) Name of Related Parties

(A) Key Management Person / Control
- (a) Avinash C.Gupta
- (b) Arjun Gupta
- (c) Nakul Gupta

(B) Enterprises under Common Control / enterprises where persons described in “A” above are able to exercise significant influence.
- Techfab International Pvt. Ltd. (formerly Techfab International)
- Techfab Systems Pvt. Ltd. (formerly Techfab Systems)

(C) Relatives of Key managerial Person:
- (d) Meera Gupta
- (e) Gunjan Gupta
- (f) Sucheta Sarvadaman Nakul

(D) Wholly owned Subsidiary Company
- Rivu Infrastructural Developers Pvt. Ltd.

Related Party Transactions:

(A) Key Management Person / Control Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
1.	Loan/ Security/ Advance Taken and recovery of advance given	145.00	149.00	49.00	712.87	13.61
2.	Loan / Security/ Advance Given:	174.50	0.00	470.83	565.16	46.38
3.	Remuneration Paid:	138.20	86.80	12.60	0.00	0.00
4.	Reimbursement of Expenses:	36.54	2.38	0.00	0.00	0.00
5.	Dividend Paid:	26.18	13.09	0.00	0.00	0.00

6.	Outstanding Balance Payable as at year end:					
	- Payable in respect of Loan	119.50	149.00	0.00	409.82	262.10
	Payable in respect of Sundry Creditors	0.19	0.00	0.00	0.00	0.00

(B) Enterprises under Common Control / enterprises where persons described in "A" above are able to exercise significant influence. Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
1.	Reimbursement of Expenses:	3.59	0.99	10.62	8.86	0.00
2.	Rent Received:	0.00	0.00	4.80	0.00	0.00
3.	Loan/ Security/ Advance Taken and recovery of advance given	75.29	42.00	0.00	0.00	0.00
4.	Loan/ Security/ Advance Given	127.29	42.00	0.00	0.00	0.00
5.	Purchases:	0.00	58.53	985.32	0.00	0.00
6.	Sales	0.00	48.00	10.00	0.00	0.00
7.	Outstanding Balance Payable as at year end:					
	- Payable in respect of Sundry Creditors	0.00	52.00	166.89	0.00	0.00

(C) Relatives of Key managerial Person: Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
1.	Dividend Paid:	10.57	5.29	0.00	0.00	0.00

(D) Wholly owned Subsidiary Company Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
1.	Fabrication & Installation	56.83	0.00	0.00	0.00	0.00
2.	Reimbursement of Expenses	0.48	0.00	0.00	0.00	0.00
3.	Outstanding Balance in respect of Current Assets	5.12	0.00	0.00	0.00	0.00

Details of related party transactions for each related party

(A) Key Management Person / Control

(a) Avinash C.Gupta Rs. In lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
1.	Loan/ Security/ Advance Taken and recovery of advance given	0.00	149.00	49.00	505.36	92.02
2.	Loan Repaid	99.50	0.00	427.67	329.64	46.31
3.	Remuneration Paid	70.00	41.60	12.60	0.00	0.00
4.	Reimbursement of Expenses	27.07	2.24	0.00	0.00	0.00
5.	Dividend Paid	17.54	8.77	0.00	0.00	0.00
6.	Outstanding Balance Payable as at year end:					

	- Payable in respect of Loan	49.50	149.00	0.00	366.67	190.95
	- Payable in respect of Sundry Creditors	0.19	0.00	0.00	0.00	0.00

(b) Arjun Gupta Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1.	Loan/ Security/ Advance Taken and recovery of advance given	145.00	0.00	0.00	138.50	36.69
2.	Loan Repaid	75.00	0.00	20.21	171.25	0.02
4.	Remuneration Paid	34.10	22.60	0.00	0.00	0.00
5.	Reimbursement of Expenses	7.90	0.15	0.00	0.00	0.00
6.	Dividend Paid	4.33	2.16	0.00	0.00	0.00
7.	Outstanding Balance Payable as at year end:					
	- Payable in respect of Loan	70.00	0.00	0.00	20.21	52.96
	Payable in respect of Sundry Creditors	0.00	0.00	0.00	0.00	0.00

(c) Nakul Gupta Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1.	Loan/ Security/ Advance Taken and recovery of advance given	0.00	0.00	0.00	69.02	7.30
2.	Loan Repaid	0.00	0.00	22.94	64.27	0.07
3.	Remuneration Paid	34.10	22.60	0.00	0.00	0.00
4.	Reimbursement of Expenses	1.57	0.00	0.00	0.00	0.00
5.	Dividend Paid	4.31	2.15	0.00	0.00	0.00
6.	Outstanding Balance Payable as at year end:					
	- Payable in respect of Loan	0.00	0.00	0.00	22.94	18.18
	Payable in respect of Sundry Creditors	0.00	0.00	0.00	0.00	0.00

(B) Enterprises under Common Control / enterprises where persons described in "A" above is able to exercise significant influence.

- Techfab International Pvt. Ltd. (formerly Techfab International) Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1.	Reimbursement of Expenses	3.59	0.99	4.96	3.55	0.00
2.	Rent Received	0.00	0.00	2.40	0.00	0.00
3.	Purchases	0.00	58.53	985.32	0.00	0.00
4.	Sales	0.00	48.00	0.00	0.00	0.00
5.	Loan/ Security/ Advance Taken and recovery of advance given	75.00	0.00	0.00	0.00	0.00
6	Loan/ Security/ Advance Given	127.00	0.00	0.00	0.00	0.00
7.	Outstanding Balance Payable as at year end:					

	- Payable in respect of Sundry Creditors	0.00	52.00	166.89	0.00	0.00

- Techfab Systems Pvt. Ltd. (formerly Techfab Systems) Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1.	Reimbursement of Expenses	0.00	0.00	5.66	5.31	0.00
2.	Loan/ Security/ Advance Taken	0.29	42.00	0.00	0.00	0.00
3.	Rent Received	0.00	0.00	2.40	0.00	0.00
4.	Loan/ Security/ Advance Repaid	0.29	42.00	0.00	0.00	0.00
5.	Sales	0.00	0.00	10.00	0.00	0.00
6.	Outstanding Balance Payable as at year end:					
	- Payable in respect of Sundry Creditors	0.00	0.00	0.00	0.00	0.00

(C) Relatives of Key managerial Person:

Meera Gupta

Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1.	Dividend Paid	10.34	5.17	0.00	0.00	0.00

Gunjan Gupta:

Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1.	Dividend Paid	0.12	0.06	0.00	0.00	0.00

Sucheta Sarvadaman Nakul:

Rs. in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1.	Dividend Paid	0.12	0.06	0.00	0.00	0.00

(D) Wholly owned Subsidiary Company

Rivu Infrastructural Developers Pvt. Ltd

Rs.in lakhs

Sr. No.	Particulars	For the year ended				
		March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
1.	Fabrication & Installation	56.83	0.00	0.00	0.00	0.00
2.	Reimbursement of Expenses	0.48	0.00	0.00	0.00	0.00
3.	Outstanding Balance in respect of Current Assets	5.12	0.00	0.00	0.00	0.00

Annexure H

Details of Other Income

Rs.in lakhs

Particulars	**For the year ended**					**Nature of Income (Recurring/ Non-recurring)**	**Related or not related to business activity**
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**		
Other Income							
Miscellaneous Income	11.19	25.86	36.56	24.91	8.95	Non-Recurring	Not-Related
Dividend received	0.00	0.24	27.03	0.18	0.04	Non-Recurring	Not-Related
Total (Gross other income)	**11.19**	**26.10**	**63.59**	**25.09**	**8.99**	**-**	**-**
Net Profit before tax as restated	**2924.80**	**1801.28**	**800.97**	**119.99**	**54.83**	**-**	**-**
% of net profit	**0.38**	**1.45**	**7.94**	**20.91**	**16.40**	**-**	**-**

Detail of Miscellaneous Income

Rs.in lakhs

Particulars	**For the year ended**					**Nature of Income (Recurring/ Non-recurring)**	**Related or not related to business activity**
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**		
Miscellaneous Income							
Miscellaneous receipts	11.19	20.66	12.20	7.16	8.95	Non-Recurring	Not-Related
Exchange rate variation	0.00	5.20	23.99	17.41	0.00	Non-Recurring	Not-Related
Interest on Income tax refund	0.00	0.00	0.37	0.34	0.00	Non-Recurring	Not Related
Profit of sale of fixed assets	0.00	0.00	0.00	0.00	0.00	Non-Recurring	Not-Related
Total	**11.19**	**25.86**	**36.56**	**24.91**	**8.95**	**-**	**-**

Annexure I
Summary of Accounting ratios

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Earnings per Share					
Basic-Rs	25.45	15.64	7.04	1.08	0.72
Diluted- Rs	25.45	15.64	7.21	1.08	0.72
Net Asset Value per Share- (Rs)	66.64	42.93	28.46	20.00	18.92
Return on Net Worth (%)	38.20	36.43	24.76	5.42	3.82
Weighted Average number of Equity shares outstanding during the year considered for Basic EPS and Net Asset Value per Share	75,00,000	75,00,000	75,00,000	70,00,000	70,00,000
Weighted Average number of Equity shares	75,00,000	75,00,000	73,30,000	70,00,000	70,00,000

Particulars	As at				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
outstanding during the year considered for Diluted EPS					

Notes:

$$\text{Basic Earnings Per Share (Rs.)} = \frac{\text{Net Profit after Tax}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{Diluted Earnings Per Share (Rs.)} = \frac{\text{Net Profit after Tax}}{\text{Weighted Average Number of Diluted Equity Shares outstanding during the year}}$$

$$\text{Net Asset Value Per Share (Rs.)} = \frac{\text{Net worth}}{\text{Number of Equity Shares outstanding during the year}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit after Tax}}{\text{Net worth}}$$

Net Worth = Equity Share Capital + Reserves & Surplus – Miscellaneous Expenditure

Net Profit, as restated as appearing in the summary statement of profit and losses, of the company has been considered for the purpose of computing the above ratios

Annexure J

Statement of Secured Loans

Rs. in lakhs

Particulars	As at				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Term Loan					
Bank of India	0.00	0.00	0.00	209.44	437.00
Central Bank of India	0.00	0.00	0.00	0.00	599.38
Total	**0.00**	**0.00**	**0.00**	**209.44**	**1036.38**
Cash Credit facility	1402.84	683.96	400.76	825.47	977.87
Vehicles/Equipment Loans	114.51	159.27	20.73	13.32	3.86
Overdraft on FDR	0.00	340.10	0.00	0.00	0.00
Total	**1517.35**	**1183.33**	**421.49**	**1048.23**	**2018.11**

Details of Secured Loans as on March 31, 2010

Rs. in lakhs

Sr. No.	Nature of borrowing / debt	Name of the Institution	Sanctioned Amount	Outstanding Amount	Interest Rate p.a.	Repayment Terms	Security
1	Equipment Loan	Tata Capital Ltd.	14.95	6.51	6.525	Payable in 35 EMIs	Equipment Finance
2	Equipment Loan	Tata Capital Ltd.	14.95	6.51	6.525	-Do-	Equipment Finance
3	Equipment Loan	Tata Capital Ltd.	7.43	3.40	6.89	-Do-	Equipment Finance
4	Equipment Loan	Tata Capital Ltd.	14.81	8.06	6.088	-Do-	Equipment Finance
5	Equipment Loan	Tata Capital Ltd.	34.24	19.76	7.307	-Do-	Equipment Finance

6	Equipment Loan	Tata Capital Ltd.	8.10	4.67	7.306	-Do-	Equipment Finance
7	Equipment Loan	Tata Capital Ltd.	16.20	9.35	7.306	-Do-	Equipment Finance
8	Equipment Loan	Tata Capital Ltd.	12.37	7.31	8.45	-Do-	Equipment Finance
9	Equipment Loan	Tata Capital Ltd.	44.55	28.08	7.318	-Do-	Equipment Finance
10	Equipment Loan	HDFC Bank Ltd.	12.00	9.57	10.37	-Do-	Equipment Finance
11	Equipment Loan	HDFC Bank Ltd.	7.50	5.98	10.37	-Do-	Equipment Finance
12	Vehicle Loan	Kotak Mahindra Prime Ltd.	13.34	5.07	13.504	-Do-	Vehicle Finance
13	Vehicle Loan	Kotak Mahindra Prime Ltd.	7.73	0.00	15.705	-Do-	Vehicle Finance
14	Vehicle Loan	ICICI Ltd.	2.50	0.24	11.37	Payable in 36 EMIs	Vehicle Finance
15	Cash Credit Facility	Axis Bank	500.00	486.95	12.00	Running Account	Stock-15% & Book Debts Cover 120 days-30% & Cover 121 days to 270 days-35% and pari passu charge by way of equitable mortgage on land, building, plant & machinery situated at Plot no. 5 sec.27c Faridabad
16	Cash Credit Facility	Bank of India	450.00	369.60	12.00	Running Account	Stock-25%, Book Debt & Retention Money upto 120 days-30%,121 days to 270 days-35%, Above 270 days-100% and pari passu charge by way of equitable mortgage on land, building, plant & machinery situated at Plot no. 5 sec.27c Faridabad
17	Cash Credit Facility	State Bank of Mysore	250.00	246.91	12.00	Running Account	Stock-25% Book Debt upto 120 days-30%,121 days to 180 days-35%, and pari passu charge by way of equitable mortgage on land, building, plant & machinery situated at Plot no. 5 sec.27c Faridabad
18	Cash Credit Facility	ICICI Bank Ltd.	300.00	299.38	12.00	Running Account	Stock-25% Book Debt upto 90 days-25% and pari passu charge by way of equitable mortgage on land, building, plant & machinery situated at Plot no. 5 sec.27c Faridabad
	TOTAL			**1517.35**			

Annexure K

Statement of Unsecured Loans

Rs in lakhs

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Loan from Corporates	303.98	288.85	0.00	0.00	0.00
Loan from Directors	119.50	149.00	0.00	409.82	262.09
Total	**423.48**	**437.85**	**0.00**	**409.82**	**262.09**

Details of Unsecured loans outstanding as on March 31, 2010

Rs in lakhs

Sr. No.	**Particulars of Loan**	**Bank/Parties Name**	**Outstanding Amount**	**Interest Rate p.a**	**Repayment Terms**
1	Loan from Corporate	KEI Industries Ltd.	245.39	9%	Payable on Demand
2	Loan from Corporate	Maryada Commercial Enterprises & Investment Company Ltd.	34.59	9%	Payable on Demand
3	Loan from Corporate	Soubhagaya Agency Pvt. Ltd.	24.00	Interest free	Payable on Demand
4	Loan from Director	Avinash C Gupta	49.50	Interest Free	Payable on Demand
5	Loan from Director	Arjun Gupta	70.00	Interest Free	Payable on Demand
	Total		**423.48**		

Annexure L

Details of Current Liabilities & Provisions

Rs. in lakhs

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Current Liabilities					
Sundry Creditors	2223.88	1223.41	778.61	471.31	806.51
Advance from Customers	350.75	1795.88	1242.77	474.11	97.62
Other Liabilities	1090.96	1100.51	711.54	490.77	0.00
Total Current Liabilities	**3665.59**	**4119.80**	**2732.92**	**1436.19**	**904.13**
Provisions					
Provision for taxes	1000.00	610.00	254.42	66.72	4.54
Provision for FBT	0.00	9.50	6.30	0.94	1.04
Proposed Dividend	112.50	75.00	37.50	0.00	0.00
Dividend Tax on proposed dividend	18.68	12.74	6.37	0.00	0.00
Retirement Benefits (Provision for Leave Encashment & Gratuity)	34.65	39.75	48.65	29.63	26.48
Provision for Wealth Tax	0.90	0.40	0.10	0.00	0.00
Total Provisions	**1166.73**	**747.39**	**353.34**	**97.29**	**32.06**

Annexure M
Statement of Sundry Debtors

Rs. in lakhs

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Outstanding for a period exceeding six months					
- Considered good	374.75	314.29	1230.74	2079.34	2162.26

Other Debts					
- Considered good	5260.82	2875.06	1529.14	558.28	706.72
Total	**5635.57**	**3189.35**	**2759.88**	**2637.62**	**2868.98**

Note: There are no beneficiaries of debtors of the Company who are in any way related to the promoters/ directors/Company as on March 31, 2010.

Annexure N

Details of Loans and Advances

Rs.in lakhs

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Advances recoverable in cash or in kind or for value to be received	559.13	985.92	496.35	317.44	340.57
Retention Money	2360.23	1504.62	644.16	618.56	507.52
Advances with Income Tax, Sales Tax, Excise, Customs etc.	1092.40	705.90	353.97	154.82	148.70
Deposit with Govt. Departments & Other	110.87	28.27	39.25	15.42	15.03
Total	**4122.63**	**3224.71**	**1533.74**	**1106.24**	**1011.82**

Note: 1. The above includes debts due from related parties which is detailed in Annexure G

2. There are no beneficiaries of loans and advances of the Company who are in any way related to the promoters/ directors of the Company as on March 31, 2010. However, an advance of Rs. 5.12 lakhs was due from wholly owned subsidiary company Rivu Infrastructural Private Limited as on March 31, 2010.

Annexure O

Details of Investments

Rs.in lakhs

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Non-Traded Investments- Quoted					
-Quoted	0.00	0.00	0.00	1.62	1.62
- Unquoted - JM Agri & Infra Fund	20.00	20.00	20.00	0.00	0.00
Reliance Monthly Interval Fund	0.00	0.00	50.00	0.00	0.00
IDFC Monthly Income Plan	10.00	0.00	0.00	0.00	0.00
- Subsidiary Company	5.01	0.00	0.00	0.00	0.00
Net Investments	**35.01**	**20.00**	**70.00**	**1.62**	**1.62**
NAV of Unquoted Investments					
JM Agri & Infra Fund	5.91	4.43	14.05	0.00	0.00
Reliance Monthly Interval Fund	0.00	0.00	50.08	0.00	0.00
IDFC Monthly Income Plan	10.17	0.00	0.00	0.00	0.00
Subsidiary Company	24.97	0.00	0.00	0.00	0.00
Market value of Quoted Investments	**N.A.**	**N.A.**	**N.A.**	**6.04**	**4.81**

Annexure P

Capitalization Statement

Rs.in lakhs

Particulars	**Pre-Issue**	**Post-Issue***
	As per the latest Audited Statements	
Debt		
Short Term Debt	1403.08	[●]
Long Term Debt	114.27	[●]

Total Debt	**1517.35**	**[●]**
Shareholders' Fund		
Share Capital		
- Equity	750.00	[●]
Reserves	4247.71	[●]
Total Shareholders' Fund	**4997.71**	**[●]**
Long term Debt/ Shareholders' Funds (Ratio)	**0.02**	**[●]**

Note: 1. The capitalization statement has been calculated on the basis of restated financial statements.
***** 2. Post Issue share capital and reserves can be ascertained only on conclusion of the book building process and hence post issue capitalisation shall be updated before filing of the prospectus.

Annexure Q

Statement of Tax Shelters

Rs. in lakhs

Particulars	**As at**				
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**
Profit/(Loss) before tax but after Extraordinary items as per books (A)	**2924.80**	**1801.28**	**800.97**	**119.99**	**54.83**
Tax Rate	**33.99**	**33.99**	**33.99**	**33.66**	**33.66**
Tax at notional rate on profits	**994.14**	**612.26**	**272.25**	**39.84**	**18.45**
Adjustments:					
Permanent Differences (B)					
Dividend exempt u/s 10(33), (34) & (35)	0.00	0.24	27.03	0.18	0.03
Profit/(Loss) on Sale of Investments exempt u/s 10(23G)	0.00	0.00	(27.75)	0.00	0.00
Other Adjustments	0.00	2.49	58.21	7.01	(24.51)
Donations	(1.42)	(0.30)	(0.13)	(0.31)	0.00
Less: Deduction U/S 80G	0.00	0.05	0.05	0.00	0.00
Total Permanent Differences (B)	**(1.42)**	**2.48**	**57.41**	**6.88**	**(24.48)**
Timing Differences (C)					
Difference between tax depreciation and book depreciation	35.51	13.04	9.39	(17.94)	(4.66)
Disallowance U/s 43B	(32.53)	(1.20)	(4.13)	(0.38)	14.71
Disallowance U/s 40A	0.00	(29.43)	(12.28)	(61.39)	12.06
Other Adjustments	0.00	(10.47)	0.00	(0.69)	(38.38)
Loss on Sale of Fixed Assets	0.00	(0.61)	(3.05)	(2.33)	(2.38)
Total Timing Differences (C)	**2.98**	**(28.67)**	**(10.07)**	**(82.73)**	**(18.65)**
Net Adjustments (B+C)	**1.56**	**(26.19)**	**47.34**	**(75.85)**	**(43.13)**
Tax Saving thereon	**0.53**	**(8.90)**	**16.09**	**(25.53)**	**(14.52)**
Profit/(Loss) as per Income Tax Returns (D)=(A-B-C)	**2923.24**	**1827.47**	**753.63**	**195.84**	**97.96**
Brought Forward Losses adjusted (E)	NA	NA	NA	(20.89)	(97.96)
Taxable Income/(Loss) (D+E)	2923.24	1827.47	753.63	174.95	0.00
Taxable Income/(Loss) as per MAT	NA	NA	NA	NA	52.26
Tax as per Income tax as returned	**993.61**	**621.16**	**256.16**	**58.89**	**4.40**
Interest u/s 234	6.38	7.89	1.88	2.51	0.00
Total Tax as per return	**999.99***	**629.05**	**258.04**	**61.40**	**4.40**
Total carry forward loss as per return of the year	**NA**	**NA**	**NA**	**NA**	**23.25**

Note: Statement of tax shelter is based on income tax returns filed by the Company with income tax authorities.
* Return yet to be filed with Income Tax Authorities.

Annexure R

Segmental Reporting: The Company's business activities fall within a single segment. Therefore, segment information as accounting standard 17 is not required to be disclosed.

Annexure S I

Summary of Restated Assets & Liabilities of Rivu Infrastructural Developers Pvt. Ltd.

Rs. in lakhs

Particulars	**As at March 31, 2010**
A. Fixed Assets	
Gross Block	5.26
Less: Accumulated Depreciation	1.02
Net block	**4.24**
B. Investments	**0.00**
C. Deferred Tax Asset	**0.00**
D. Current Assets, Loans and Advances	
Sundry debtors	178.63
Cash & Bank Balances	4.71
Other Current Assets	17.66
Loans & Advances	79.05
Total (D)	**280.05**
E. Liabilities & Provisions	
Current Liabilities & Provisions	259.32
Secured Loan	0.00
Unsecured Loan	0.00
Total (E)	**259.32**
F. Deferred Tax Liability	**0.00**
G. Net Worth (A+B+C+D-E-F)	**24.97**
Net Worth represented by:	
H. Equity Share Capital	**10.00**
I. Reserves and Surplus	
Profit and Loss Account	6.83
General Reserve	8.14
Total (I)	**14.97**
J. Net Worth (H+I)	**24.97**

Annexure S II

Summary of Restated Profit & Loss Account of Rivu Infrastructural Developers Pvt. Ltd.

Rs. in lakhs

Particulars	**For the year ended March 31, 2010**
A. Income	
Turnover	168.64
Other Income	1.83
Total-(A)	**170.47**
B. Expenditure	
Expenditure on contracts	131.27
Employee Remuneration & benefits	21.44
Administration & Other Expenses	6.50
Finance Charges	0.21

Particulars	For the year ended March 31, 2010
Depreciation	1.02
Total-(B)	**160.43**
C. Profit before taxation (A-B)	**10.03**
Less: Provision for taxation	
-Current	3.20
Profit After Taxation as per audited statement of accounts (C)	**6.83**
D. Net Profit After Taxation as per audited statement of accounts	**6.83**
Adjusted Net Profit	**6.83**
Surplus/(Deficit) brought forward from the Previous year	8.14
E. Profit available for appropriation	**14.97**
Transfer to General Reserve	0.00
Proposed equity dividend (Interim/Final)	0.00
Tax on dividend	0.00
F. Adjusted Available Surplus/(Deficit) carried forward	**14.97**

Annexure S III

Summary of restated Cash flow Statements of Rivu Infrastructural Developers Pvt. Ltd

Rs. in lakhs

Particulars	For the year ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before taxation and extraordinary items before restatement :	**10.03**
Add / Less :- Adjustment for increase / decrease in depreciation due to restatement	0.00
Net Profit before taxation and extraordinary items after restatement :	**10.03**
Adjustments for:	
Depreciation	1.02
Finance Charges	0.21
Loss on sale of fixed assets (net)	0.00
Provisions for Leave Encashment	0.00
Provisions for Gratuity	0.00
Dividend Received	0.00
Cash generated from operations before Working Capital Changes	**11.26**
Adjustments for:	
Changes in Trade and Other Receivables	(94.86)
Loans & Advances	(78.19)
Inventories	(15.52)
Changes in Trade & Other Payables	181.33
Cash generated from/(used in) Operations	**4.02**
Income Taxes paid (net)	(2.48)
Net Cash Flow from /(used in) Operating Activities	**1.55**
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES	
Purchase of Fixed Assets	(1.54)
Net Cash from / (used in) Investing Activities	**(1.54)**
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES	
Proceeds from Issue of Shares/Share Application Money	0.00
Proceeds/(Repayment) from/of Short Term borrowings (net)	(34.08)
Proceeds/(Repayment) from/of Long Term Borrowings (net)	0.00
Finance Charges	(0.21)
Dividend Paid (including dividend distribution tax)	0.00
Net Cash from / (used in) Financing Activities	**(34.29)**
Net increase / (decrease) in Cash and Cash Equivalents	**(34.29)**
Cash and Cash Equivalents at the beginning of the period/year	**39.01**
Cash and Cash Equivalents at the end of the period/year	**4.71**

Components of cash and cash equivalent	
- Cash and cheques on hand	3.81
- With banks - On current account	0.90
- On deposit account restricted	0.00
- On deposit account unrestricted	0.00

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page 10 of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion is based on our restated standalone financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act,1956 and other applicable legal provisions. The following discussion is also based on internally prepared statistical information and on publicly available information. Our financial year ends on March 31, so all references to a particular financial year are to the twelve-month period ended March 31.

Certain industry, technical and financial terms used in this discussion shall have the meanings ascribed to them in the section titled "Definitions and Abbreviations" beginning on page 1 of this Red Herring Prospectus.

Overview

Our Company, incorporated in the year 1971, provides EPC services executing a wide range of Balance-of-Plant (BoP) and electro-mechanical projects on a complete turnkey basis across a number of industrial and infrastructure sectors which includes power, oil & gas, water & waste water treatment and other industrial and infrastructure sectors. We manage our domestic and overseas operations from our corporate office at Faridabad, Haryana. To execute overseas projects, we have established offices in Ethiopia, Kenya and Fiji. We are an ISO 9001:2000 accredited Company for "Engineering Procurement and Construction of Engineered Systems on Complete Turnkey basis in Core, Energy and Infrastructure Sector Projects".

Our Company provides EPC services for various BoP packages for power, oil & gas and other industrial and infrastructure undertakings. We also provide EPC services to the main plant for water & waste water treatment projects. Our Company undertakes the following packages on a complete turnkey basis:

- Industrial, Utility and Low Pressure Piping Systems
- Fuel Oil, Unloading, Storage and Handling Systems
- Fire Detection, Alarm and Protection Systems
- Water, Wastewater and Effluent Treatment and Recycling Systems
- Tankages
- Raw Sea Water Intake Systems
- Plant Electrification / Transmission & Distribution / Rural Electrification
- Renovation and Modernisation of Coal Feeding Systems

Our income from operations for the year ended March 2010, 2009 and 2008 was Rs. 20,037.02 lakhs, Rs. 14,930.57 lakhs and Rs. 8,099.46 lakhs respectively. Our PAT for the year ended March 2010, 2009 and 2008 was Rs. 1909.02 lakhs, Rs. 1,173.11 lakhs and Rs. 528.61 lakhs respectively. Our Company has substantially expanded both in service and project profile and also customer base with greater geographical presence.

Order Book

The Order Book of our Company as on March 31, 2010 stands at Rs. 53,374 lakhs and the segment wise details of work on hand is set out below:

(Rs. in Lakhs)

No.	Segment	No. of Projects	Project Value (Rs. in Lakhs)	Work on Hand (Rs. in Lakhs)
1.	Conventional Power	19	17,589	7,943
2.	Nuclear Power	4	13,153	5,705
3.	Water & Waste Water Treatment	5	17,067	7,595
4.	Electrical Distribution and Rural Electrification	2	5,366	3,681
5.	Industrial & Infrastructure Sectors	11	33,392	28,450
	Total	**41**	**86,567**	**53,374**

As on March 31, 2010, our Company has bid for forty one (41) projects amounting to approximately Rs. 2,20,000 lakhs. As per the information available to us we are the lowest bidder for five (5) projects amounting to approximately Rs. 40,000 lakhs.

Significant developments after year ended March 31, 2010 that affect our future results of operations

To our knowledge, no circumstances have arisen since the date of the last financial statement as disclosed in this Red Herring Prospectus which materially and adversely affect or is likely to affect the trading or profitability of our Company, or the value of our assets, or our ability to pay its liability within the next twelve months.

Factors that may affect the results of operations

The main factors affecting our operations are as follows:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully carry out the projects and business plans for which funds are being raised through this Issue;
- Implementation risks involved in our projects;
- Changes in political and social conditions in India or in countries where we are executing projects, 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 ability to raise capital for our future projects;
- Changes in the value of the Rupee and other currencies;
- Changes in the foreign exchange control regulations in India;
- The performance of the financial markets in India and globally;
- Changes in prices of raw material and increase in labour cost; and
- Dependence on few clients

Discussion on the results of operations

a) Summary of Restated Profit & Loss Account

The following table sets forth selected financial data from our restated profit and loss account:

(Rs. in Lakhs)

Particulars	March 31, 2010	% to Total Income	March 31, 2009	% to Total Income	March 31, 2008	% to Total Income	March 31, 2007	% to Total Income
Turnover	20037.02	99.94%	14,930.57	99.83	8,099.46	99.22	6,135.94	99.56
Other Income	11.19	0.06%	26.10	0.17	63.59	0.78	25.09	0.41
Total	**20048.21**	**100.00%**	**14,956.67**	**100.00**	**8,163.05**	**100.00**	**6,163.03**	**100.00**
Expenditure								
Expenditure on Contracts	15403.25	76.83%	11,772.29	78.71	6,649.75	81.46	5,580.55	90.55
Employee Remuneration & Benefits	591.91	2.95%	413.40	2.76	180.55	2.21	85.71	1.39
Administration & Other Expenses	676.32	3.37%	585.55	3.91	357.83	4.38	183.05	2.97
Finance Charges	316.63	1.58%	282.28	1.89	147.96	1.81	158.99	2.58
Depreciation	135.29	0.67%	101.87	0.68	25.99	0.32	32.74	0.53
Total	**17123.4**	**85.41%**	**13,155.39**	**87.96**	**7,362.08**	**90.19**	**6,041.04**	**98.05**
Profit before taxation	**2924.81**	**14.59%**	**1,801.28**	**12.04**	**800.97**	**9.81**	**119.99**	**1.95**
Less: Provision for taxation	1015.79	5.07%	628.17	4.20	272.58	3.34	41.21	0.67
Profit After Taxation as per audited statement of accounts	**1909.02**	**9.52%**	**1,173.11**	**7.84**	**528.39**	**6.47**	**78.78**	**1.28**
- Residual tax Adjustments	0	0.00%	4.42		-2.32		0.14	
Net Profit After Taxation as per audited statement of accounts	**1909.02**	**9.52%**	**1,168.69**	**7.81**	**530.71**	**6.50**	**78.64**	**1.28**
ADJUSTMENTS : Impact of	0	0.00%	4.42		-2.10		-2.74	

Particulars	March 31, 2010	% to Total Income	March 31, 2009	% to Total Income	March 31, 2008	% to Total Income	March 31, 2007	% to Total Income
material adjustment for restatement in corresponding years								
Restated Net Profit	**1909.02**	**9.52%**	**1,173.11**	**7.84**	**528.61**	**6.48**	**75.90**	**1.23**

b) Major Items of Income and Expenditure

Income

Our income comprises of two elements viz. Turnover and Other Income. Turnover consists of income from executing EPC contracts for a wide range of balance-of-plant (BoP) projects and turnkey electro-mechanical projects across a number of industrial and infrastructure sectors which includes power, oil & gas, water & waste water, etc. We bill our clients on a periodic basis depending on the progress of the project as per the terms of payment laid out in the contract / order and usually require their certification to the extent of the progress made.

Other income includes miscellaneous receipts, income from exchange rate variation, interest on income tax refund, dividend received and profit on sale of fixed assets. Our other income fluctuates principally depending upon income from exchange rate variation.

Expenditure

Our total expenditure consists principally of expenditure on contracts, Administration and other expenses, Employee cost, Finance charges and depreciation.

Expenditure on Contracts

Expenditure on contract (EoC) is the single largest component of our total expenditure. Some of the constituents of the EoC are materials and stores, design, fabrication, installation and machining expenditure. The other part of expenditure includes expenses on power & fuel, inspection & testing, personnel expenses, freight, forwarding & clearing, rent, rates and taxes, repairs and maintenance, insurance etc.

Employee Remuneration & Benefits

Employee cost consists of Salaries, Wages, Gratuity, Bonus, Allowances, Employer's Contributions to Provident Fund, ESI & Others, etc.

Administrative and Other expenses

Major expenses under this head include travelling & conveyance, legal and professional expenses, rates, fees & taxes. Other expenses are staff welfare, other repair and maintenance, insurance expense, exchange rate variation loss, printing & stationery, communication, loss on sale of investments & derivatives etc.

Finance Charges

Finance charges includes interest on term loan, hire purchase and short term loan taken towards working capital facilities availed from banks and other lenders. Interest Income received from FDR is reduced from the Finance charges. Bank charges include bank commission on L/C's, Bank Guarantees, etc.

Depreciation

Depreciation is charged on assets which include depreciation on Premises, Plant & Machinery, Furniture & Fixtures, Office Equipment, Computers, Cooling System and other fixed assets. Our Company provides depreciation on straight line method basis and is calculated at the rates specified under Schedule XIV of the Companies Act, 1956.

Taxes

Tax expenses comprise current tax, deferred tax, fringe benefit tax & wealth tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Restatement

The restated financial information for each of the Fiscal years 2010, 2009, 2008, 2007 and 2006 has been presented in compliance with paragraph B(1) of Part II of the Schedule II to the Companies Act and the relevant SEBI (ICDR) Regulations. The effect of such restatements is that the previous years' financial information included in this Red Herring Prospectus have been restated to conform with the methods used in preparing the financial statements i.e. Fiscal 2010, as well as to confirm to any changes in accounting policies and estimates**.**

The total impact of the adjustments to the restated net profits is as mentioned below:

Profit and Loss Account as at April 1, 2005 (Restated)

Profit and Loss Account as at April 1, 2005 (Restated)	Rs. in Lakhs
Profit & Loss Account as at April 1, 2005	**63.32**
- Depreciation	9.07
+ Deferred Tax Adjustment	6.72
Restated Profit as on April 1, 2005	**60.97**

Statement of impact on Profit and Loss due to restatement and other material adjustments made to audited financial statement

(Rs. in Lakhs)

Particulars	For the year ended				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Net Profit After Tax as per audited Profit and Loss Account	1909.02	1168.69	530.71	78.64	47.90
Adjustment on account of Deferred Tax	0.00	0.00	0.00	(11.90)	5.18
Income Tax adjustment	0.00	4.42	(2.10)	(2.18)	(0.14)
Depreciation	0.00	0.00	0.00	11.34	(2.27)
Total Impact	0.00	4.42	(2.10)	(2.74)	2.77
Adjusted Net Profit	**1909.02**	**1173.11**	**528.61**	**75.90**	**50.67**

The principal adjustments to our restated financial statements are as follows:

i. Deferred Tax: Our Company has adopted Accounting Standard 22 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India. Accordingly, deferred tax is provided by the company with effect from fiscal year ending March 31, 2007 onwards including the deferred tax of earlier years. For the purpose of this statement, the deferred tax assets/liabilities has been recognized in the respective years to which they relate.
ii. Income Tax Adjustments: Our Company has made provisions for income tax for earlier years to cover the income tax liabilities which arise due to additions / variation made by the assessing officer at the time of assessment. For the purpose of this statement, income tax liability of earlier years has been recognised in the respective years to which they relate.
iii. Depreciation: During the fiscal year ended March 31, 2007 it was realised that the depreciation on a portion of the factory building was not claimed during fiscal years ended March 31, 2006, Mach 31, 2005 and March 31, 2004. Hence it was claimed in the fiscal year ended March 31, 2007. For the purpose of this statement, depreciation of earlier years has been recognised in the respective years to which they relate.

c) Income and Sales on account of major contribution from various sectors

Our revenue contribution from various sectors in which we execute projects in terms of value and as a percentage to Turnover is mentioned below:

Sector	March 31, 2010		March 31, 2009		March 31, 2008	
	(Rs. in lakhs)	(%)	(Rs. in lakhs)	(%)	(Rs. In lakhs)	(%)
Conventional Power	4,962	25	3,342	22	3,032	37
Nuclear Power	5,424	27	2,625	18	0	0
Oil & Gas	92	1	1,884	13	4,459	55
Water & Waste Water Treatment	4,060	20	5,315	35	86	1
Industrial & Infrastructure Sectors	3,812	19	1,765	12	5,22	7
Electrical Distribution and Rural Electrification	1,687	8	0	0	0	0
Income from Operations	**20,037**	**100**	**14,931**	**100**	**8,099**	**100**

During the last three years, our Company focused on executing projects in Power sector and subsequently forayed in executing projects in new sectors like nuclear power, oil & gas, water & waste water treatment and Electrical Distribution and Rural Electrification. As a result, currently, our Company's order book and income from operations is from diverse sectors, the contribution of which has been varying from year to year. In Fiscal 2010, projects in the nuclear power sector was the leading contributor (27%) to our Income from Operations. The other major contributors were Conventional Power sector (25%), Water & Waste Water Treatment sector (20%) and Industrial & Infrastructure Sector (19%).

Our revenue contribution from Domestic and Overseas market for the last three years is as under:

(Rs. in Lakhs)

For the year / period ended	March 31, 2010	% to total Income	March 31, 2009	% to total Income	March 31, 2008	% to total Income
Domestic	18,067	90	9,029	61	3,641	45
Overseas	1,970	10	5,902	39	4,458	55
Income from Operations	**20,037**	**100**	**14,931**	**100**	**8,099**	**100**

d) Nature of Miscellaneous Income

Particulars	For the year ended				Nature of Income (Recurring/ Non-recurring)	Related or not related to business activity
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007		
Miscellaneous Income						
Miscellaneous receipts	11.19	20.66	12.20	7.16	Non-Recurring	Not-Related
Exchange rate variation	0.00	5.20	23.99	17.41	Non-Recurring	Not-Related
Interest on Income tax refund	0.00	0.00	0.37	0.34	Non-Recurring	Not Related
Profit of sale of fixed assets	0.00	0.00	0.00	0.00	Non-Recurring	Not-Related
Total	**11.19**	**25.86**	**36.56**	**24.91**	-	-

RESULTS OF OPERATIONS

Our results of operations may vary significantly from period to period due to the nature of the projects undertaken by us, the completion schedules of our projects, the way we recognize revenue, the nature of expenditure involved in a particular project, the specific terms of a particular project or supply order terms and other factors that affect our income and expenditures on specific projects.

Comparison of Performance and Analysis of Developments for the financial year ended March 31, 2010 vis-à-vis financial year ended March 31, 2009

Turnover: Our turnover increased to Rs. 20,037.02 lakhs in fiscal 2010 from Rs. 14,930.57 lakhs in fiscal 2009, representing an increase of 34.20%. The growth in our revenues was on account of executing projects in Power sector especially the nuclear power, the Industrial and Infrastructure sector and from the Electrical distribution and rural electrification sector.

During the fiscal 2010, revenues from projects in nuclear power sector amounted toRs. 5,424 lakhs as against Rs. 2,625 lakhs in the previous year while revenues from projects in the Industrial and Infrastructure sector amounted toRs. 3,808 lakhs as against Rs. 1,765 lakhs in the previous year. The electrical distribution and rural electrification sector contributed Rs. 1,685 lakhs as against nil in the previous year.

Other Income: Other income decreased by 57.13% from Rs. 26.10 lakhs for the year ended March 31, 2009 to Rs. 11.19 lakhs for the year ended March 31, 2010.

Expenditure on Contracts: Our Expenditure on Contracts increased by 30.84% from Rs. 11,772.29 lakhs for the year ended March 31, 2009 to Rs. 15403.25 lakhs for the year ended March 31, 2010. The increase in the contracts expenditure was on account of increased turnover.

Employee Remuneration & Benefits increased by 43.18% from Rs.413.40 lakhs for the year ended March 31, 2009 to Rs. 591.91 lakhs for the year ended March 31, 2010. The increase in the cost was mainly on account of increase in the number of employees and increase in salary of employees.

Administration & Other Expenses: Our Administration & Other Expenses represented 3.37% of the total income in Fiscal 2010 as against 3.91% in the Fiscal 2009. Though expenses have declined as a percentage to total income, the administration and other expenses increased by 15.50% in Fiscal 2010 vis-à-vis Fiscal 2009 primarily on account of increase in expenditure on legal & professional expenses, repairs and maintenance, rent and other miscellaneous items.

Finance Charges increased by 12.17% from Rs. 282.28 lakhs in Fiscal 2009 to Rs. 316.63lakhs for the year ended March 31, 2010. This was on account of increase in bank charges incurred for Letter of Credits/Bank Guarantees. However, the net finance charges were lower due to higher interest income on FDRs as against previous year.

Depreciation increased by 32.81% from Rs. 101.87 lakhs in Fiscal 2009 to Rs. 135.29 lakhs in the previous year. The increase was attributable to acquisition of various fixed assets and equipment like construction equipment and vehicles.

Profit before Taxation: Due to factors discussed above, our net profit before taxation increased by 62.37% to Rs. 2924.81lakhs in Fiscal 2010 from Rs. 1801.28 lakhs in Fiscal 2009.

Provisions for Taxation: Our taxes increased by Rs. 387.62 lakhs, or 61.71% from Rs.628.17 lakhs in Fiscal 2009 to Rs. 1015.79 lakhs in Fiscal 2010. The increase in tax liability was due to increase in the taxable income.

Net Profit, before restatement adjustments: Due to the above reasons our net profit before restatement adjustments increased by 62.73% to Rs. 1,909.02 lakhs in Fiscal 2010 from Rs. 1173.11 lakhs in Fiscal 2009.

Net Profit, restated: Our Net Profit after restatement adjustments increased by 62.73% to Rs. 1,909.02 lakhs in Fiscal 2010 from Rs. 1173.11 lakhs in Fiscal 2009.

Comparison of Performance and Analysis of Developments for the financial year ended March 31, 2009 vis-à-vis financial year ended March 31, 2008

Turnover: Our turnover increased to Rs. 14,930.57 lakhs in fiscal 2009 from Rs. 8,099.46 lakhs in fiscal 2008, representing an increase of 84.34%. The substantial growth in our revenues was on account of executing projects in Power sector especially the nuclear power and from water & waste water treatment sector.

During the fiscal 2009, revenues from projects in nuclear power sector amounted to Rs. 2,625 lakhs as against nil revenues in the previous year while revenues from projects in water & waste water treatment sector amounted to Rs. 5,315 lakhs as against Rs. 86 lakhs in the previous year.

Other Income: Other income decreased by 58.96% from Rs. 63.59 lakhs for the year ended March 31, 2008 to Rs. 26.10 lakhs for the year ended March 31, 2009 primarily on account of reduced dividend income and from exchange rate variation.

Expenditure on Contracts: Our Expenditure on Contracts increased by 77.03% from Rs. 6,649.75 lakhs for the year ended March 31, 2008 to Rs. 11,772.29 lakhs for the year ended March 31, 2009. The increase in the contracts expenditure was on account of increased turnover.

Employee Remuneration & Benefits increased by 128.97% from Rs. 180.55 lakhs for the year ended March 31, 2008 to Rs.413.40 lakhs for the year ended March 31, 2009 while as a percentage to income, the cost increased marginally vis-a-vis FY 2008. The increase in the cost was mainly on account of increase in the number of employees and increase in salary of employees.

Administration & Other Expenses: Our Administration & Other Expenses represented 3.91% of the total income in Fiscal 2009 as against 4.38% in the Fiscal 2008. Though expenses have declined as a percentage to total income, the administration and other expenses increased by 63.64% in Fiscal 2009 vis-à-vis Fiscal 2008 primarily on account of increase in expenditure on legal & professional expenses, repairs and maintenance on plant & machinery and other miscellaneous items.

Finance Charges increased substantially by 90.78% from Rs. 147.96 lakhs for the year ended March 31, 2008 to Rs. 282.28 lakhs in Fiscal 2009. This was on account of increase in bank charges incurred for Letter of Credits/Bank Guarantees. However, the net finance charges were lower due to higher interest income on FDRs as against previous year.

Depreciation increased by 291.96% to Rs. 101.87 lakhs in Fiscal 2009 as against Rs. 25.99 lakhs in previous year. The increase was attributable to acquisition of various fixed assets and equipment like construction equipment and vehicles.

Profit before Taxation: Due to factors discussed above, our net profit before taxation increased by 124.89% to Rs. 1801.28 lakhs in Fiscal 2009 from Rs. 800.97 lakhs in Fiscal 2008.

Provisions for Taxation: Our taxes increased by Rs. 355.59 lakhs, or 130.45% from Rs. 272.58 lakhs in Fiscal 2008 to Rs.628.17 lakhs in Fiscal 2009. The increase in tax liability was due to increase in the taxable income.

Net Profit, before restatement adjustments: Due to the above reasons our net profit before restatement adjustments increased by 122.02% to Rs. 1173.11 lakhs in Fiscal 2009 from Rs. 528.39 lakhs in Fiscal 2008.

Net Profit, restated: Our Net Profit after restatement adjustments increased by 121.92% from Rs. 528.61 lakhs for the year ended March 31, 2008 to Rs. 1173.11 lakhs for the year ended March 31, 2009.

Comparison of Performance and Analysis of Developments for the financial year ended March 31, 2008 vis-à-vis financial year ended March 31, 2007

Turnover: Our turnover increased to Rs. 8,099.46 lakhs in fiscal 2008 from Rs. 6,135.94 lakhs in fiscal 2007, an increase of 32.00%. The growth in our revenues was on account of executing projects in conventional power sector and oil & gas segment which was partly offset by reduced turnover from Other Industrial Infrastructure segment.

During the fiscal 2008, revenues from projects in the oil & gas sector was the major contributor to turnover.

Other Income: Other income increased substantially by 153.45% from Rs. 25.09 lakhs for the year ended March 31, 2007 to Rs. 63.59 lakhs for the year ended March 31, 2008, primarily on account dividend income and gain in exchange rate variation.

Expenditure on Contracts: Our Expenditure on Contracts increased by 19.16% to Rs. 6,649.75 lakhs in Fiscal 2008 from Rs. 5,580.55 lakhs in the previous year, representing 81.46% of the total income for the Fiscal 2008 as against 90.55% in the Fiscal 2008. The increase in the contracts expenditure was on account of increased turnover.

Employee Remuneration & benefits increased by 110.65% from Rs. 85.71 lakhs for the year ended March 31, 2007 to Rs.180.55 lakhs for the year ended March 31, 2008. The increase in the cost was mainly on account of increase in the number of employees and increase in salary of employees.

Administration & Other Expenses: Our Administration & Other Expenses represented 4.38% of the total income in FY 2008 as against 2.97% in the Fiscal 2007 and have increased by 95.48% in FY 2008 vis-à-vis is Fiscal 2007 primarily on account of increase in expenditure on Legal & professional expenses, Repairs and maintenance on plant & machinery and other miscellaneous items.

Finance Charges were lower in the Fiscal 2008 by 6.94% vis-à-vis Fiscal 2007 mainly on account for repayment of balance Term Loan sanctioned by Bank of India and reduced working capital requirements.

Depreciation charges decreased by 20.62% from Rs. 32.74 lakhs for the year ended March 31, 2007 to Rs. 25.99 lakhs for the year ended March 31, 2008. The decrease was on account of one time adjustment having been carried out in the year ended March 31, 2007 due to rectification of error/omission of prior period.

Profit before Taxation: Due to factors discussed above, our net profit before taxation increased by 567.53% to Rs. 800.97 lakhs in Fiscal 2008 from Rs. 119.99 lakhs in Fiscal 2007.

Provisions for Taxation: Our taxes increased by Rs. 231.37 lakhs, or 561.44% from Rs. 41.21 lakhs in Fiscal 2007 to Rs.272.58 lakhs in Fiscal 2008. The increase in tax liability was due to increase in the taxable income.

Net Profit, before restatement adjustments: Due to the above reasons our net profit before restatement adjustments increased by 570.72% to Rs. 528.39 lakhs in Fiscal 2008 from Rs. 78.78 lakhs in Fiscal 2007.

Net Profit, restated: Our Net Profit after restatement adjustments increased by 596.46% from Rs. 75.90 lakhs for the year ended March 31, 2007 to Rs. 528.61 lakhs for the year ended March 31, 2008.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary liquidity requirements have been to finance our working capital needs and capital expenditure. Our business requires a significant amount of working capital to finance the purchase of raw materials and goods for executing balance of plant services for EPC projects. We tend to receive payments on an irregular basis as work is completed and only after the client/consultant certifies the extent of the progress made on the particular project. To fund our capital needs, we have relied on short-term and long-term borrowings, working capital financing and cash flows from operating activities.

To fund our capital needs, we have relied on short-term and long-term borrowings, working capital financing and cash flows from operating activities. In the future, as we expand our capital needs will increase and we may need to raise additional capital through further debt finance and additional issues of Equity Shares to fund our operations.

CASH FLOW

The table below summarizes our standalone cash flows as restated, for the period indicated.

(Rs. in Lakhs)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Net Cash flow from / (used in) Operating Activities (A)	**(937.03)**	**1196.02**	**1631.92**	**948.71**
Net Cash from/(used) in Investing Activities (B)	**(286.79)**	**(290.80)**	**(213.14)**	**(14.34)**
Net Cash from/(used) in Financing Activities (C)	**(84.73)**	**873.53**	**(934.51)**	**(990.62)**
Net Increase /(decrease) in cash & cash equivalent (A+B+C)	**(1,308.55)**	**1778.75**	**484.27**	**(56.25)**
Cash & Equivalent at beginning of the year	**2410.57**	**631.82**	**147.55**	**203.80**
Cash & Equivalents at the end of the year	**1102.02**	**2410.57**	**631.82**	**147.55**

The net cash flow from operating activities in FY 2010 was negative on account of advances paid to vendors and advance tax on higher profits in the month of March 2010. The net cash flow from investment activities is negative as we have purchased fixed assets during the year. The financing activities were negative due to payment of interest and finance charges.

Contingent Liabilities

The following table provides our contingent liabilities as of March 31, 2010:

(Rs. in Lakhs)

Particulars	As at March 31, 2010
Bank guarantee & Letter of Credit Outstanding	12,264.50
Sales Tax Matters	13.55
Claims Matters	14.92
WCT Matters	0.00
Total	**12,292.97**

Indebtedness

As of March 31, 2010, we have Rs. 1,940.83 lakhs of aggregate principal amount of indebtedness outstanding. This represents a cash credit facility of Rs. 1,402.84 lakhs from consortium bankers and Rs. 114.51 lakhs as Equipment / Vehicle Loan and unsecured loan of Rs. 423.48 lakhs.

Information required as per schedule VIII of SEBI (ICDR), Regulations, 2009

(i) Unusual or Infrequent Events or transactions

There have been no unusual or infrequent events or transaction that would have any material impact on the operations or the performance of the company.

(ii) Significant economic/ regulatory changes

There have been no significant economic or regulatory changes which would have any material impact on our operations. For details of Regulations & Policies please refer to the section titled "Regulations & Policies" beginning on page 103 of this Red Herring Prospectus.

(iii) Known trends or uncertainties

Except as described in the section titled "Risk Factors" beginning on page 10 of this Red Herring Prospectus and the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 174 of this Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that have or had or expected to have any material adverse impact on revenues or income of our Company from continuing operations.

(iv) Future changes in relationship between cost and revenues

Other than as described in the section titled "Risk Factors" and "Management's Discussion & Analysis of Financial Conditions and Results of Operations" beginning on pages 10 and 174 of this Red Herring Prospectus to our knowledge there are no future relationship between cost and income that have or had or are expected to have a material adverse impact on our operation and finances.

(v) Total turnover of each major industry segment

Our operations relate to only one segment i.e. EPC services. Hence, there are no reportable segments.

(vi) New products and business segment

We operate only in one segment i.e. EPC services.

(vii) The extent to which the business is seasonal

Our business is not seasonal.

(viii) Significant dependence on a single or few suppliers or clients

We undertake multiple work orders from a limited number of clients. We secure contracts either through a competitive bidding process on a stand-alone basis or through a joint venture depending on the technical & financial requirements and size of the project. Our clients vary from period to period depending on the completion schedule of projects. Our top five (5) clients contributed 95%, 75% and 62.5% of our total revenue in fiscal 2008, 2009 and 2010 respectively. In FY 2010, 10 % of our income from operations was from overseas clients and in FY 2009, 39% of our income from operations was from overseas clients.

(ix) Competitive conditions

For details on competition, please refer to the section titled "Our Business" beginning on page 85 of this Red Herring Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters, our Subsidiary and Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Directors or Group Companies.

Further, as stated below, there are no show-cause notices / claims served on our Company, our Promoters, our Directors, our Subsidiary or Group Companies from any statutory authority / revenue authority that would have a material adverse affect on our business.

For details of contingent liabilities of our Company, please refer to the section titled "Financial Statements" beginning on page 132 of this Red Herring Prospectus.

I) Cases filed against our Company

Civil Proceedings

1. Gujarat State Electricity Corporation limited ("***GSECL***") (formerly known as Gujarat Electricity Board) in the year 2002 and 2003 floated three tenders for replacement of a total of 42 existing volumetric feeders with gravimetric feeders at its Thermal Power Stations based at Ukai, Wankbori and Sikka. Our Company through its then division namely "Techfab Systems" offered its bid for the project along with various other parties including BHEL and Transweigh India Limited ("***TWIL***"). After an evaluation carried out by GSECL, all the three tenders were awarded to our Company and Letter of Intents were issued by GSECL. However, TWIL alleged certain irregularities in the tender process and made several allegations, complaints and representations before the concerned authorities including the Gujarat Vigilance Commission (GVC). The State Government formed a committee to investigate the matter, which after investigation submitted its interim and supplementary reports on November 2005 and February 2006 respectively. Since the orders had been in abeyance since 2003, our Company in February 2007 filed three (3) Special Civil Applications before the Gujarat High Court seeking directions to GSECL to proceed with the contracts. Consequently, GSECL and our Company agreed to amicably settle the issue out of court and an MOU was executed in September 2007 to proceed with the contracts and accordingly our Company withdrew the three (3) Special Civil Applications pending in the Gujarat High Court. In October, 2007 TWIL filed a Special Civil Application (*27302 of 2007*) before the Gujarat High Court seeking termination of the contracts awarded by GSECL to our Company. After hearing all the concerned parties, the Gujarat High Court by an order dated February 26, 2008 dismissed the Special Civil Application filed by TWIL. In March 2008, TWIL filed a Special Leave Petition (*Civil No. 6837 of 2008*) before the Hon'ble Supreme Court, challenging the order passed by the Gujarat High Court. While the Special Leave Petition (SLP) is still pending for hearing before the Hon'ble Supreme Court, the GVC had submitted its final report in September 2008 closing the matter. The Hon'ble Supreme Court has converted the SLP into an Appeal. Leave was granted by the Hon'ble Supreme Court and the matter shall come up for hearing in due course. The erstwhile partnership firm of our Promoter Mr. Arjun Gupta "Techfab Systems" has also been made a party to the above proceedings.

2. Mr. Ashok Kumar Sharma has filed a suit against our Company before the Addl. District & Sessions Judge, Patiala House Courts, New Delhi (*322 of 2009*) for the recovery of possession of Flat No. 507, Eros Apartment, 56, Nehru Place, New Delhi 110 019 where the registered office of our Company is situated. In addition to the possession of the above premises, the Plaintiff is claiming damages/mesne profits and permanent injunction against our Company. The Plaintiff is claiming to be the legal heir of (Late) Smt. Ved Kumari Sharma with whom our Company had executed a lease deed on April 15, 1979 and is seeking the arrears of rent of Rs.4.31 Lakhs for the period February 15, 1999 to January 14, 2009 and damages/mesne profits of Rs.1.00 Lakh. The Court has directed our Company to pay arrears of rent to Mr. Ashok Kumar Sharma on May 15, 2010. Since the hearing of the matter has been scheduled on June 2, 2010, the direction of the court shall be complied with accordingly.

3. M/s J.N Gopal & Co. filed a suit *(335 of 2004)* before the Addl. District Judge, Delhi against our Company for recovery of a sum of Rs.5.08 Lakhs including interest at the rate of 24% on the principle sum due of Rs.3.58 Lakhs for the non-payment of monies due for supply of certain steel pipes by the Plaintiff. Our Company disputed the claim of the Plaintiff that original excise duty invoices of the manufacturer of the steel pipes were not submitted by the Plaintiff to our Company due to which excise refund could not be recovered from our client Nalco Angul. Our Company had further withheld certain payments to the Plaintiff due to certain non-compliances such as non-submission of sales tax forms. However, after hearing the matter the Court passed a decree for a sum of Rs.4.48 Lakhs in favour of the Plaintiff along with interest @12% p.a. from the date of the institution of the suit till date of realization. Our Company has preferred an appeal before the Delhi High Court against the decree passed by the Addl. District Judge. The Delhi High Court allowed the Appeal and stayed the execution of the decree on deposit of Rs.3.58 Lakhs being the balance amount of the decree and adjourned the matter *sine die*.

4. M/s. Rajeev Enterprises had filed a summary suit (*No.17 of 2003*) before the Additional District Judge, Delhi for recovery of Rs.3.07 Lakhs for certain contracts executed by the Plaintiff on sub-contract basis. The Plaintiff executed the contracts and our Company made payments at regular intervals with respect to these contracts. The Plaintiff raised bills aggregating to Rs.40.83 Lakhs and our Company made payments thereto to the tune of Rs.37.70 Lakhs since certain disputes arose with respect to bills amounting to Rs.2.56 Lakhs. The Court after hearing the matter passed the decree in the favour of the Plaintiff on January 11, 2008. Our Company is exploring the possibility of amicably settling the matter with the Plaintiff.

5. Mrs. Prabha Aggarwal, sole proprietor of M/s. Finlay Insulations has filed a suit (*C.S. 287 of 2001*) before the 8th Civil Judge, Senior Division at Alipore against our Company for the recovery of Rs.58.34 Lakhs along with interest for certain supply order executed by her concern. The parties have filed their pleadings before the Court and the matter shall come up for hearing in due course.

6. Finlay Insulation (India) Private Limited has filed a suit (*C.S. 22 of 2001*) before the 8th Civil Judge, Senior Division at Alipore against our Company for the recovery of Rs.44.77 Lakhs along with interest, for certain supply order executed by the Plaintiff. The parties have filed their pleadings before the Court and the matter shall come up for cross examination of the officials of Finlay Insulation (India) Private Limited on June 27, 2010.

7. Pentax Engineering Limited has filed a summary suit *(200 of 2004)* before the Addl. District Judge, Delhi, against our Company for recovering an amount of Rs.3.37 Lakhs including interest at the rate of 24% p.a. The Plaintiff has claimed that it had supplied gas detectors for a Naptha plant for which only part payment had been made by our Company. Our Company is disputing the claim made by the Plaintiff and has also filed its written statement before the Court. The matter is scheduled for final hearing on July 6, 2010.

8. Pawan Kumar Aggarwal, sole proprietor of Indian Steel Corp. filed a suit (*C.S. 425 of 2005*) before the Civil Judge, Tis Hazari Court, Delhi against our Company for the recovery of Rs.1.45 Lakhs along with interest, with respect to disputes arising out of CST Forms for goods supplied by the Plaintiff to our Company. The parties have filed their pleadings before the Court and the matter shall come up for cross examination of Mr. Pawan Kumar Aggarwal on July 26, 2010.

9. Our Company has been served a notice of eviction from Mr. Ved Kumar Slehria, who is claiming to be the legal heir of the Late Mrs. Ravinder Kaur Slehria (Landlady), of the premises i.e. Flat no. 509, Eros Apartments, 56 Nehru Place, New Delhi in addition to a claim for payment of Rs.9.23 Lakhs as arrears of the general maintenance charges. Our Company has not been served with any proceedings that may have been filed before any court by Mr. Ved Kumar Slehria or any other person. However, our Company has been depositing the rent with the Rent Controller, New Delhi on regular basis.

Criminal Proceedings

10. Bengal Mills Store Supply Co ("***BMSS***") filed a Compliant (*60 of 2009*) under Section 120-B, 418 and 420 of the Indian Penal Code before the Addl. Chief Metropolitan Magistrate, Mazgaon, Mumbai in relation to cancellation of the Letter of Intent date June 18, 2008 and the amended Letter of Intent dated June 18, 2008 ("***LoI***") issued by our Company to BMSS. BMSS on issue of the LoI issued a Proforma Invoice No. 08091 dated June 19, 2008 for an amount of Rs.86.31 Lakhs. However, our Company later cancelled the LoI due to a delay in the supply of materials by BMSS. The matter shall come up for submission of the service report on June 19, 2010.

Arbitration Proceedings

11. Rajasthan Urban Infrastructure Development Project ("***RUIDP***") had invited bids for a turnkey contract for construction, commissioning, operation and maintenance of the intake pumping station at Akelgarh, Rajasthan. Engineering Projects India Ltd. ("***EPIL***") was awarded the contract by RUIDP in the year 2002. EPIL entered into a MOU with our Company for execution of the contract by our Company on behalf of EPIL. The total value of the contract aggregated to Rs.633.30 Lakhs. As per the terms of the contract between RUIDP and EPIL, which were to be adhered to by our Company, the entire work was to be completed within eighteen (18) months i.e. July 8, 2004 from the date of issue of "notice to commence" by RUIDP i.e. January 16, 2003. Our Company submitted a performance bank guarantee amounting to Rs.63.33 Lakhs in favour of EPIL and a further bank guarantee to RUIDP towards the mobilization advance of Rs.34.02 Lakhs to commence the work at the site. However, our Company faced several delays and hindrances in executing the work due to RUIDP, EPIL and other factors. Since our Company had delayed the execution of the contract, EPIL terminated the work order issued in favour of our Company and invoked the bank guarantees issued in the favour of EPIL. Further, even RUIDP invoked the bank guarantee issued by our Company on behalf of EPIL. As such dispute arose between both the parties and arbitration proceedings have commenced for adjudication of the dispute in 2004. EPIL has filed its Statement of Claim claiming an amount aggregating to Rs.256.41 Lakhs along with interest at the rate of 18% and costs of arbitration of Rs.3.00 Lakhs. Our Company has filed its statement of defence and counter claim claiming an amount aggregating to Rs.268.93 Lakhs along with interest at the rate of 18% and costs of arbitration. EPIL has filed its evidence by way of affidavit and our Company has been directed to file the same before June 4, 2010. The matter shall come up for hearing on June 4, 2010.

12. The Director General of Supplies and Disposals, Union of India ("***DGSD***") awarded a contract for the supply of three (3) heat exchanger systems for the gun carriage factory at Jabalpur for cooling oil of furnaces in the year 1979. In accordance with the terms of the tender, the supply of the material was completed by December 22, 1981 and the same was inspected and tested by the concerned authority by August 7, 1982. However, in the year 1989, the DGSD issued a rejection note and in the year 1999 issued a demand notice for the refund of Rs.10.51 Lakhs. The DGSD further invoked arbitration in the year 2000 and proceeded for the adjudication of the matter before the Arbitrator. After hearing the matter, the Hon'ble Arbitrator rejecting the counter claim made by our Company passed an award in favour of DGSD in the year 2005 directing our Company to pay Rs.11.16 Lakhs along with interest at the rate of fifteen percent (15%). Our Company has filed an Application under Section 34 of Arbitration Act 1996 before the Delhi High Court for setting aside the award passed by the Arbitrator. The application is pending for adjudication and is scheduled to come up for arguments in due course.

II) Direct and Indirect tax proceedings against our Company

Income Tax Proceedings

1. Block Assessment for A.Y. 1990-1991 to A.Y. 2000-2001 (*Block period from April 1, 1989 to August 27, 1999*)

A search and seizure operation in the business premises of our Company as well as the residences of our present and erstwhile directors, their relatives and our employees was carried out on July 20, 1999. Pursuant to the search and seizure there were certain additions made in the block assessment in terms of Section 158BC of the Income Tax Act, 1961. The Commissioner of Income Tax Central II, New Delhi ("***CIT***") filed a Writ Petition (*Writ Petition No. (C) 5734 of 2004*) before the High Court of Delhi, New Delhi against the order under Section 245D(4) of the Income Tax Act, 1961 dated December 1, 2003 ("***Order***") passed by the Income Tax Settlement Commission ("***Settlement Commission***"). The CIT filed the Writ Petition against our Company, our Promoter, Mr. Avinash C. Gupta, erstwhile director, Ms. Punam Laul, Mr. O.P. Ahuja, employee of our Company (the "***Respondents***") and the Settlement Commission. The CIT has alleged in the Writ Petition that:

i. the Respondents have not disclosed and accounted for cash payment made towards transfer of shares amounting to Rs.231 lakhs paid by our Promoter, Mr. Avinash C. Gupta (*and associates*) to Ms. Punam Laul (*and associates*);
ii. the Respondents have not disclosed and accounted for payment made by cheque towards transfer of shares amounting to Rs.83.81 lakhs paid by our Promoter, Mr. Avinash C. Gupta (*and associates*) to Ms. Punam Laul (*and associates*);
iii. the Respondents have not disclosed and accounted for cash receipts amounting to Rs.590.06 lakhs; and
iv. the Respondents have not disclosed and accounted for payment made in cash amounting to Rs.119.54 lakhs by our Company to Mr. Avinash C. Gupta.

The matter is currently pending before the High Court of Delhi, New Delhi.

Sales Tax Proceedings

2. A.Y. 1999 – 2000 (West Bengal - Local)

Our Company has preferred an appeal before the Assistant Commissioner of Commercial Taxes, Kolkata ("**ACC**") against the order dated June 28, 2002 passed by Sales Tax Officer. The Assessing Authority issued a notice of demand amounting to Rs.12.16 Lakhs payable by our Company as determined by the Assessing Officer ("***AO***"). Our Company has preferred the said appeal since:

i. The AO has wrongly charged sales tax on freight; and
ii. The AO has raised the above mentioned demand due to non-submission of TDS Certificates to be submitted by our Company. Our Company shall submit the same with the Sales tax authorities.

The matter is pending before the ACC, Kolkata.

3. A.Y. 1999 – 2000 (West Bengal - Central)

Our Company has preferred an appeal before the Assistant Commissioner of Commercial Taxes, Kolkata ("**ACC**") against the order dated June 28, 2002 passed by Sales Tax Officer. The Assessing Authority issued a notice of demand amounting to Rs.1.10 Lakhs payable by our Company as determined by the Assessing Officer ("***AO***"). Our Company has preferred the said appeal since:

i. AO has charged central sales tax on sale amounting to Rs. 10.28 Lakhs as reflected in the Form C received from BHEL which was incorrect. However, our Company is now in receipt of the correct form and shall submit the same; and
ii. AO has charged sales tax on subsequent sale due to non-submission of Form E-1 to be filed by our Company which otherwise is eligible to be exempt. Our Company shall submit the Form E-1.

The matter is pending before the ACC, Kolkata.

4. A.Y. 2000 – 2001 (West Bengal - Local)

Our Company has preferred an appeal before the Assistant Commissioner of Commercial Taxes, South Circle ("**ACC**") against the order dated June 30, 2003 passed by Sales Tax Officer. The Assessing Authority issued a notice of demand amounting to Rs.1.95 Lakhs payable by our Company on the total Contractual Transfer Price (CTP) as determined by the Assessing Officer.

5. A.Y. 2000 – 2001 (West Bengal - Central)

Our Company has preferred an appeal before the Assistant Commissioner of Commercial Taxes, South Circle ("**ACC**") against the order dated June 30, 2003 passed by Sales Tax Officer. The Assessing Authority issued a notice of demand amounting to Rs. 0.85 Lakhs payable by our Company on the total Contractual Transfer Price (CTP) as determined by the Assessing Officer.

6. A.Y. 2002 – 2003 (Orissa)

Our Company has preferred an appeal before the Orissa Sales Tax Tribunal ("***STT***") against the order dated September 28, 2006 ("***Order***") passed by the Assistant Commissioner of Sales Tax, Sundargarh Range, Rourkela ("***ACST***") on account of not allowing the eligible deduction and further raising a demand of Rs. 14.13 Lakhs . Our Company has deposited Rs. 3.09 Lakhs with the Sales Tax Authorities towards the aforementioned demand raised by the ACST. The matter is pending before the STT, Orissa.

Customs

7. <u>Proceedings under the Customs Act, 1962</u>

Our Company has received summons dated February 10, 2009 under Section 108 of the Customs Act, 1962 from the Superintendent of Customs, Custom House, Kandla ("***SoC***") for appearing before the SoC along with the following documents:

i. all documents and information pertaining to import made by our Company subsequently transferred to M/s GEB on high sea sale agreement including the copy of original Purchase Order placed with the foreign suppliers, technical specification and capacity of the machinery/ parts imported by Bill Entry No. 216099 dated September 8, 2008 and Bill Entry No. 265704 dated November 21, 2008;
ii. Payment particulars of payment made against import made in Bill Entry No. 216099 dated September 8, 2008 and Bill Entry No. 265704 dated November 21, 2008 with documents and also details of payments received against high sea sale from M/s GEB;
iii. All other related details and documents.

Our Company's representative appeared before the SoC on February 26, 2009 and has submitted the above referred documents as required by the SoC. Our Company has received another summons dated March 13, 2009 whereby the SoC has requested our Company to submit further documents. Our Company has submitted its reply by a letter dated March 18, 2009. Our Company has not received any further correspondence in relation to the same as on this date of Red Herring Prospectus.

III) Cases filed by and against our Promoters/Directors

Income Tax Proceedings

1. <u>Block Assessment for A.Y. 1990-1991 to A.Y. 2000-2001 (*Block period from April 1, 1989 to August 27, 1999*)</u>

For further details, please refer to sub-title "Direct & Indirect tax proceedings against our Company" under this Section.

2. <u>A.Y. 2000-2001 (Mr. Avinash C. Gupta)</u>

Our Promoter, Mr. Avinash C. Gupta has preferred an Appeal bearing No. 3548(Del)/07 before the Income Tax Appellate Tribunal, New Delhi ("***ITAT***") against the appellate order dated May 28, 2007 ("***Order***") passed by the Commissioner of Income Tax (Appeals) –II, New Delhi ("***CIT(A)***"). Mr. Avinash C. Gupta has filed the said appeal since:

i. The alleged unexplained investment amounting to Rs. 88.12 lakhs added by the Assessing Officer ("***AO***") has not been deleted by the CIT(A);
ii. The CIT(A) has erred in directing the AO to adopt the value of shares at Rs. 147.74 per share as against Rs. 86.20 per share adopted by Mr. Avinash C. Gupta for the purpose of computing alleged unexplained investments; and
iii. The CIT(A) has erred in directing the AO to adopt the transfer value of shares of our Company at Rs. 147.74 per share as against Rs. 286.60 per share adopted by the AO for the purpose of computing unexplained investment.

The ITAT by an order dated October 9, 2009 has restored the matter to CIT(A) for fresh disposal after taking the order of the High Court, Delhi into consideration.

3. <u>A.Y. 2000-2001 (Mr. Arjun Gupta)</u>

Our Promoter, Mr. Arjun Gupta has preferred an Appeal bearing No. 3547(Del)/07 before the Income Tax Appellate Tribunal, New Delhi ("***ITAT***") against the appellate order dated May 28, 2007 ("***Order***") passed by the Commissioner of Income Tax (Appeals) –II, New Delhi ("***CIT(A)***"). Mr. Arjun Gupta has filed the said appeal since:

i. The alleged unexplained investment amounting to Rs. 100.20 lakhs added by the Assessing Officer ("***AO***") has not been deleted by the CIT(A);
ii. The CIT(A) has erred in directing the AO to adopt the value of shares at Rs. 147.74 per share as against Rs. 86.20 per share adopted by Mr. Arjun Gupta for the purpose of computing alleged unexplained investments; and

iii. The CIT(A) has erred in directing the AO to adopt the transfer value of shares of our Company at Rs. 147.74 per share as against Rs. 286.60 per share adopted by the AO for the purpose of computing unexplained investment.

The ITAT by an order dated October 9, 2009 has restored the matter to CIT(A) for fresh disposal after taking the order of the High Court, Delhi into consideration.

4. A.Y. 2000-2001 (Mr. Nakul Gupta)

Our Promoter, Mr. Nakul Gupta has preferred an Appeal bearing No. 3545(Del)/07 before the Income Tax Appellate Tribunal, New Delhi ("***ITAT***") against the appellate order dated May 28, 2007 ("***Order***") passed by the Commissioner of Income Tax (Appeals) –II, New Delhi ("***CIT(A)***"). Mr. Nakul Gupta has filed the said appeal since:

i. The alleged unexplained investment amounting to Rs. 100.26 lakhs added by the Assessing Officer ("***AO***") has not been deleted by the CIT(A);
ii. The CIT(A) has erred in directing the AO to adopt the value of shares at Rs. 147.74 per share as against Rs. 86.20 per share adopted by Mr. Nakul Gupta for the purpose of computing alleged unexplained investments; and
iii. The CIT(A) has erred in directing the AO to adopt the transfer value of shares of our Company at Rs. 147.74 per share as against Rs. 286.60 per share adopted by the AO for the purpose of computing unexplained investment.

The ITAT by an order dated October 9, 2009 has restored the matter to CIT(A) for fresh disposal after taking the order of the High Court, Delhi into consideration.

Civil Proceedings against Mr. Arjun Gupta

5. Transweigh India Limited ("***TWIL***") has filed a Special Leave Petition (*6837 of 2008*) before Hon'ble Supreme Court of India in March 2008 challenging the order dated February 26, 2008 of Hon'ble High Court Gujarat. In the said SLP, one of the Respondents is the erstwhile Techfab Systems, a Partnership Firm, through its Partner Mr. Arjun Gupta. Though, Techfab Systems was dissolved in the year 2007 the proceedings have continued in its name. The SLP is still pending before Hon'ble Supreme Court and will be listed for final disposal in due course. For further details please refer to sub-title "Cases against our Company" under this section.

IV) Cases filed by our Company

Civil Proceedings

1. Our Company has filed a suit (64A of 2005) before the Additional District Judge, Bhopal against Bharat Heavy Electricals Limited ("***BHEL***"), New Fire Engineering Limited, Maharasthra Electricity Board (MSEB) and Equip Resources. The dispute is in relation to a works contract awarded by MSEB to BHEL for the manufacturing and installing certain cylinders at Chandrapur and Padghai. BHEL sub-contracted the works contract in favour of our Company. In the year 1999, the contract was completed and the cylinders supplied by New Fire Engineering Limited, were duly installed after inspection and testing. Our Company also received the payment from BHEL. In the year 2003, it came to known that sixty three (63) cylinders installed at the above sites were not according to the standards prescribed in the works contract. New Fire Engineering Limited undertook to replace the defective cylinders at their own costs with fresh lot of tested and certified cylinders. New Fire Engineering Limited failed to adhere to their commitment due to which MSEB debited an amount of Rs.59.59 Lakhs to BHEL. Our Company filed this suit seeking directions that MSEB should recover the above amount from New Fire Engineering Limited and not from BHEL and BHEL be restrained from withholding any payments due to our Company from other contracts awarded by BHEL. The matter has been scheduled for final arguments on June 24, 2010.

Criminal Proceedings

2. Our Company has filed a Complaint (*Complaint No. 1885/01/09*) under section 138 of read with Section 141 read with Section 142 of the Negotiable Instruments Act, 1881 before the Metropolitan Magistrate, Patiala House Court, Delhi against Nuchem Weir India Limited ("***NWIL***") for dishonor of five (5) cheques aggregating to Rs.5.62 lakhs for non-payment towards the balance amount for completion of three (3) contracts awarded by NWIL for works involved in execution of Sewage Water Treatment Plant at Basin bridge, Chennai. The matter shall come up for arguments on August 17, 2010.

3. Our Company has filed a Complaint (*Complaint No. 127/1*) under Section 138 read with Section 141 and Section 142 of the Negotiable Instruments Act, 1881 before the Metropolitan Magistrate, Patiala House Court, Delhi against Super Build India Private Limited ("***SIPL***"), a company with whom our Company has entered into a joint venture for execution of a project in Bihar. The present Compliant has been filed for dishonour of a cheque amounting to Rs.100 Lakhs for non-payment towards moneys advanced to SIPL to clear the site dues. The matter shall come up for hearing on September 13, 2010.

Arbitration Proceedings

4. Our Company was awarded a contract by Indian Oil Corporation Limited ("***IOCL***") for manufacturing, erection, testing and commissioning of a fire fighting system for its six (6) tanks at FST Kandla in the year 1998. The value of the contract was Rs.154.15 Lakhs and was to completed within six (6) months from the date of the Letter of Intent i.e. April 27, 1998. The schedule date for the completion of the work was October 27, 1998. However, our Company could only complete the work session February 3, 1999 due to certain delays on the part IOCL and *force majoure* events such as the cyclone in Gujarat. While settling the final payment, IOCL deducted Rs.15.12 Lakhs as liquidated damages. Our Company invoked arbitration claiming Rs.48.47 Lakhs from IOCL. A new arbitrator has been appointed to adjudicate the matter on August 22, 2009. Our Company on January 16, 2010 was directed to submit the Rejoinder Arguments to conclude the arbitration proceedings. The matter shall come up for hearing in due course.

5. Kolkatta Port Trust Haldia Dock Complex ("***KPTHDC***") placed an order with our Company for fire fighting facilities for its third oil jetty at the Haldia Dock Complex at a contract price of Rs.326.54 Lakhs. As per the terms of the contract, work was to be completed by June 27, 1999. However, the work was completed only on June 8, 2001 due to certain delays and hindrances on the part of KPTHDC. However, KPTHDC deducted Rs.32.65 Lakhs from the payment to be made to our Company by way of liquidated damages and Rs.33.38 Lakhs because of alleged technical deviations and services. Due to the above deductions made by KPTHDC, our Company invoked arbitration in the year 2002 and claimed an amount of Rs.263.44 Lakhs. By way of an interim order, KPTHDC paid Rs.5.16 Lakhs to our Company. The Arbitration is scheduled for hearing on July 10, 2010 and July 11, 2010 for arguments to be advanced by KPTHDC.

6. Our Company was awarded a contract in the year 1991 by India Oil Corporation Limited ("***IOCL***") for design, engineering, fabrication, supply, construction, erection, painting, testing commissioning of a fire hydrant system for its refinery at Digboi, Assam. The value of the contract was Rs.380 Lakhs and was to be completed within eighteen (18) months by our Company. During the pendency of the contract our Company raised certain bills for the work already carried out however, no payment was released by IOCL. Our Company proceeded to complete the work under the contract and thereafter invoked arbitration in the year 2002 claiming an amount aggregating to Rs.317.06 Lakhs. The pleadings have been filed by all the parties. Order of the Arbitrator is awaited on an application filed under Section 16 of the Arbitration Act by IOCL on the jurisdiction of the Arbitrator.

7. Rajasthan Rajya Vidyut Utpadan Nigam Limited ("***RRVUNL***") awarded a contract to our Company in the year 1987 for the design, manufacture, supply and erection of a fire protection and detection system for its Kota TPS Stage II. Our Company completed the project in the year January 8, 1996. Our Company raised various bills but no payment was released by RRVUNL. Our Company invoked arbitration in the year 2001 and claimed an aggregate amount of Rs.916.81 Lakhs. The Arbitrator has scheduled a hearing for further arguments in the matter on July 24, 2010 and July 25, 2010.

V) SEBI proceedings

Nil

VI) Cases filed by and against our Subsidiary

Nil

VII) Past cases where penalties have been imposed

Our Company had filed a petition before the Company Law Board on September 3, 2009 for compounding of non-compliance under Section 383A of the Companies Act for not appointing a Whole Time Company Secretary for a period commencing from March 29, 1991 to October 1, 1992, from October 31, 1992 till July 1, 1998, from July 31, 2004 till January 1, 2005 and from October 18, 2007 till January 1, 2008. Our Company, Mr. Avinash C. Gupta, Chairman and Managing Director, Mr. Arjun Gupta, Director of our Company and Mr. Nakul Gupta, Director of our Company had filed an application under Section 621A of the Companies Act with the Registrar of Companies, New Delhi, for compounding of non-compliance by the Company under the Section 383A as mentioned above. The Company Law Board (CLB) at its hearing held on February 9, 2010 allowed the compounding of offence u/s 383A of the Companies Act, 1956 and levied a compounding fee of Rs. 2,000 each on our Company, Mr. Avinash C. Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta (Officers in default). Our Company, Mr. Avinash C. Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta have paid the compounding fee on February 16, 2009.

VIII) Cases filed by and against the Group Companies

Nil

Pending dues of Small Scale Undertakings and other Creditors:

Our Company does not have any dues exceeding Rs.1 Lakh outstanding for more than 30 days to any small-scale industrial undertaking(s). The detail of other creditors to whom our Company owes Rs.1 Lakh or more for more than 30 days as on March 31, 2010 is as follows:

Bamag – GmBH, Bdk Engineering Industries Limited, Benode Behari Chatterjee Family Trust, Corprotex (India) Private Limited, Kalyani, Endress+hauser (i) Private Limited, Filteration Engineers India Private Limited, Flow- Tech Engineersv(India), Fouress Engineering (India) Limited, G E Fanuc Systems Private Limited, Gupta Steel Corporation- Delhi, Horizon Environmental Services Private Limited, H.R. Steel Industries, Industrial Devices India Private Limited – RTN, KEI Industries Limited, KSE Electricals Private Limited, Macmet India Limited (3471), Maini Scaffolds Systems, Marco Flaminio Olmi, Mather & Platt Pumps Limited, Delhi, Net Cascade Automation Private Limited, N. L. Hazra & Son, Paharpur Cooling Tower-RET, Pentax Engineering Private Limited, Mumbai, Perfect Chloro System, Prudent Automation Private Limited, Ramsarup Industrial Corporation, Reynolds Chemequip Private Limited, Ridhi Siddhi Steel Corporation, RTS Power Corporation Limited, Rustech Products Private Limited (RETN), Sanjay Electrical Stores, Durgapur, Spirax Marshall Private Limited, Stock Redler India Private Limited, Sushna Enterprises, Techno Flow Controls & Engineers, Tube Products Incorporate, Unisteel & Engineering Co. Private Limited, Mumbai, Vishwa Metal Surface Technologies and Vivial Forge Private Limited.

Material Developments

Since the date of the balance sheet there have been no material developments.

GOVERNMENT AND OTHER APPROVALS

On the basis of the indicative list of approvals provided below, our Company can undertake this Issue and its current business activities and no further major approvals from any Government or regulatory authority are required to undertake the Issue or continue these business activities. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors has, pursuant to a resolution adopted at its meeting held on June 8, 2009, authorized the Issue, subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

2. The shareholders of our Company have, pursuant to a resolution under Section 81(1A) of the Companies Act, adopted at a general meeting held on July 8, 2009, authorized the further issue of Equity Shares.

3. Our Company has obtained in-principle listing approvals dated February 11, 2010 and March 23, 2010 from the BSE and the NSE, respectively.

4. NSDL/CDSL: ISIN No.: INE509K01011.

II. Approvals obtained by our Company

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
1.	The Registrar of Companies, N.C.T of Delhi & Haryana	Certificate of Incorporation in the name of Technofab Engineering Private Limited	(CIN) U74210DL1971PLC005712	July 20, 1971	One Time Registration
2.	The Registrar of Companies, N.C.T of Delhi & Haryana	Our Company became a deemed public limited company under Section 43A(1-A) of the Companies Amendment Act, 1988.	(CIN) U74210DL1971PLC005712	January 4, 1989	One Time Registration
3.	The Registrar of Companies, N.C.T of Delhi & Haryana	Fresh Certificate of Incorporation pursuant to the change of name to Technofab Engineering Limited on conversion of our Company from deemed limited company to a public limited company.	(CIN) U74210DL1971PLC005712	May 7, 2003	One Time Registration
4.	The Registrar of Companies, N.C.T of Delhi & Haryana	Fresh Certificate of Incorporation pursuant to the change from Deemed Public Company u/s 43A of the Companies Act, 1956 to Public Limited company.	--	May 7, 2003	One Time Registration
5.	Sales Tax Officer, Government of NCT of Delhi	Trader Identification Number (TIN) certifying that our Company has been registered under the Delhi Value Added Tax Act, 2004	07030052011	April 1, 2005	One Time Registration
6.	Foreign Trade Development Officer	Certificate of Importer – Exporter Code (IEC)	0588063550	January 9, 1989	One Time Registration

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
7.	Deputy Commissioner, Service tax Department	Our Company has been registered for remitting services of erection, commissioning, installation, works contract services, transport of goods by road, renting of immovable property services, design services.	AAACT3829RST001	March 23, 2009	One Time Registration
8.	Income Tax Department	Permanent Account Number	AAACT3829R	--	One Time Registration
9.	Income Tax Department	Tax Deduction Account Number	DELT04511D	May 7, 2004	One Time Registration
10.	Employees' Provident Fund Organisation, Regional Office of Haryana	Our Company has been registered for payment of employees' provident fund under the Employee Provident Fund Act, 1952.	HR/1246	March 14, 1992	One Time Registration
11.	Regional Director, Employee State Insurance Corporation	Certificate for registration of employees and particulars of employer's special contribution	13/7328/66	--	One Time Registration
12.	Licensing Officer, Vishakhapatnam	License under section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970 to employ 200 workmen as contract labour per day.	DCL/VSP/CL/4809/2008	May 9, 2008	May 9, 2010*
13.	Licensing Officer, Vishakhapatnam	License under section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970 to employ 200 workmen as contract labour per day.	DCL/VSP/CL/4805/2008	May 9, 2008	May 9, 2010*
**Our Company has made an application to the Commissioner of Labour, Vishakhapatnam dated May 7, 2010 for renewal of the above licenses.*					
14.	Kolkata Municipal Corporation	Certificate of enlistment (trade license) issued subject to the provisions of West Bengal Fire Services Act, 1950.	001294006893	December 8, 2009	March 31, 2010**
***Our Company is in the process of making an application for renewal of the said license*					
15.	Licensing Officer & Assistant Labour Commissioner (Central) –II, Chennai	License under section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970 to employ 80 workmen as contract labour per day.	L.II/267/2009	June 30, 2009	June 29, 2010
16.	Labour Commissioner, Jammu	Certificate of Registration granted under the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 to	ALC/J/B-CAC Ad/26	September 19, 2008	May 30, 2010

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
		employ 50 workmen per day.			
17.	Licensing Officer, Jammu	Certificate of Registration granted under the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 to employ workmen.	ALC/J/CLA/504	September 19, 2008	September 18, 2010
18.	Licensing Officer, Surat	License under section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970 to employ 15 workmen as contract labour per day.	SU.LI/78/10	March 3, 2010	January 20, 2011
19.	Sales Tax Department	Tax Payer Identification Number (TIN) under Delhi Sales Tax Act	07030052011	--	One Time Registration
20.	Excise and Taxation Officer	Tax Payer Identification Number (TIN) under Haryana Value Added Tax	06751200257	--	One Time Registration
21.	Commercial Tax Officer, Rourkela I Circle, Uditnagar	Tax Payer Identification Number (TIN) under Orissa Value Added Tax	21612001452	March 29, 2005	One Time Registration
22.	Sales Tax Officer, Durgapur	Registration Number certifying that our Company has been registered as a dealer under section 24(1)(b) of the West Bengal Value Added Tax Act, 2003	19803953009	--	One Time Registration
23.	Sales Tax Officer	Tax Payer Identification Number (TIN) under Madhya Pradesh Value Added Tax Act, 2002	23163904370	January 17, 2007	One Time Registration
24.	Sales Tax Officer	Tax Payer Identification Number (TIN) under Maharashtra Value Added Tax Act, 2002	27370585285V	January 18, 2007	One Time Registration
25.	Sales Tax Officer	Central Sales Tax (CST) Registration (Maharashtra)	27370585285C	January 18, 2007	One Time Registration
26.	Commercial Tax Officer	Tax Payer Identification Number (TIN) under TamilNadu Value Added Tax Act, 2006	33341522853	March 5, 2007	One Time Registration
27.	Commercial Tax Officer	Central Sales Tax registration certifying that our Company has been registered as a dealer under section 7(1)/ 7(2) of the Central Sales Tax Act, 1956 (Chennai, Tamilnadu)	867199	March 1, 2007	One Time Registration
28.	Assessing Officer	Central Sales Tax registration certifying that our Company has been registered as a dealer under	01622083208	January 24, 2006	One Time Registration

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
		section 7(1)/ 7(2) of the Central Sales Tax Act, 1956 (Srinagar, Jammu & Kashmir)			
29.	Assessing Officer	Local Sales Tax registration certifying that our Company has been registered as a dealer under section 6 of the General Sales Tax Act, 1962 (Srinagar, Jammu & Kashmir)	01622083208	January 24, 2006	January 23, 2013
30.	Commercial Tax Officer, Vishakhapatnam Division	Tax Payer Identification Number (TIN) under the Andhra Pradesh Value Added Tax Act, 2005	28912045409	June 6, 2008	One Time Registration
31.	Sales Tax Officer	Tax Payer Identification Number (TIN) under the Karnataka Value Added Tax Act, 2003	29540827610	December 31, 2008	One Time Registration
32.	Sales Tax Officer	Tax Payer Identification Number (TIN) under the Gujarat Value Added Tax Act, 2003	24210300104 (VAT TIN) 24210300104 (CST TIN)	--	One Time Registration
33.	Sales Tax Officer	Tax Payer Identification Number (TIN) (Chattingadh)	22754603335	October 6, 2006	One Time Registration
34.	Commercial Tax Officer, South Circle, Ranchi	Tax Payer Identification Number (TIN) (Ranchi)	20870106587	February 15, 2010	One Time Registration
35.	Deputy Commissioner of Commercial Tax Officer, Patna	Certificate of Registration under Section 19 of Bihar Value Added Tax Act, 2005	10128112004 (VAT TIN)	February 16, 2010	One Time Registration
Approvals for establishing branch offices outside India					
36.	The Registrar of Companies, Republic Of Zambia	Registration for establishing a foreign companies in Zambia	FCO. 1246	November 10, 2003	One Time Registration
37.	The Registrar of Companies, Nairobi	Registration for establishing a foreign companies in Nairobi	CPR/2009/3995	May 28, 2009	One Time Registration
38.	The Registrar of Companies, Ghana	Registration for establishing a foreign companies in Ghana	EXT. 1105	May 14, 2007	One Time Registration
39.	Ethiopian Investment Agency	Investment permit received by our Company for establishing branch office for the following activities such as installation of mechanical, electrical and hydraulic pumps, motors, cables and pipes.	EIA-IP 15333/08	May 27, 2008	Renewed annually until the Investor commences the marketing of his output or services
40.	Ethopian Investment Agency	Business License	EIA-OL/2196/08	June 10, 2008	--
41.	Ethiopian	Principle trade registration	EIA-PC/012420/08	May 27,	One Time

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
	Investment Agency	certificate		2008	Registration
42.	The Federal Democratic Republic of Ethiopia, Ministry of Trade and Industry	Business License and Principal Registration Certificate	Business License No. 67/1997	April 14, 2010	-
43.	Chief Executive Officer, Fiji Islands Trade & Investments Bureau	Foreign Investment Registration Certificate	Registration Certificate No. 10-0042	April 12, 2010	Valid until surrendered or cancelled

III. Approvals to be obtained by our Company for the "Objects of the Issue"

No.	License and Approval
Approvals required for construction of the training centre at Nagpur	
1.	Sanction of development plans from Government Authorities
2.	Commencement Certificate
3.	Completion Certificate
Approvals to be obtained by our Company for the establishment of Storage and Maintenance Facility	
4.	Sanction from the local authorities for construction of the facility

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at their meeting held on June 8, 2009, authorized the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

Our shareholders have authorised this Issue by a special resolution adopted under Section 81 (1A) of the Companies Act, passed at the Annual General Meeting held on July 8, 2009.

Prohibition by SEBI, RBI or governmental authorities

Our Company, Promoters, Promoter Group, Directors, Group Companies have not been prohibited from accessing the capital market for any reason by the SEBI or any other authorities.

None of our Directors except Dr. Nitish Kumar Sengupta are associated with the securities market. Dr. Nitish Kumar Sengupta is a Director on the Board of Directors of Credit Analysis and Research Limited, a rating agency registered with SEBI.

None of our Company, Directors, Promoters, Group Companies, relatives (as per Companies Act, 1956) of Promoters, Group Companies have been identified as a willful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Eligibility for the Issue

Our Company is eligible for the Issue as per Regulation 26(1) of the SEBI ICDR Regulations, as confirmed by the Auditors of our Company:

- Our Company has net tangible assets of atleast Rs. 300.00 lakhs in each of the three (3) preceding full years (of 12 months each) of which not more than 50% is held in monetary assets.
- Our Company has a track record of distributable profits as per Section 205 of the Companies Act, 1956, for atleast three (3) out of the immediately preceding five (5) years.
  (Extraordinary items are not considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956)
- Our Company has a pre-issue net worth of not less than Rs. 100.00 lakhs in each of the three (3) preceding full years (of 12 months each).
- The proposed Issue size, including all previous public issues in the same financial year, would not exceed five (5) times the pre-issue net worth of our Company as per the audited accounts for the year ended March 31, 2010.
- Our Company has not changed its name within the last one (1) year.

The net profit, net worth, net tangible assets and monetary assets derived from the restated financial statements prepared in accordance with SEBI ICDR Regulations, for the last five (5) financial years ended March 31, 2010, 2009, 2008, 2007 and 2006 is set forth below:

(Rs. in Lakhs)

Particulars	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Net Profit (a)	1909.02	1173.11	528.61	75.90	50.67
Net Worth	4997.71	3219.89	2134.53	1400.49	1324.59
Net Tangible Assets (b)	6956.06	4843.71	2550.36	2837.05	3592.89
Monetary Assets (c)	86.85	1755.95	424.70	60.83	127.64
Monetary Assets as a percentage of net tangible assets (%)	1.25	36.25	16.65	2.14	3.55

a) The distributable profit has been calculated as per section 205 of the Companies Act.
b) Net Tangible assets are defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserve), investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax

liabilities and long term liabilities), net of provision for diminution in value.

c) Monetary assets include cash on hand and bank and quoted investments inclusing units in open ended mutual fund schemes at cost and are net of fixed deposits which are under lien with banks to secure working capital obtained from them.

In addition, we shall ensure that number of allottees getting Equity Shares is not less than one thousand (1,000) in number.

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

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, COLLINS STEWART INGA PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, COLLINS STEWART INGA PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 13, 2010 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE 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) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHENGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(III) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.

(IV) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE

(V) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(VI) WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(VII) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE

(VIII) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(IX) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE

(X) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE

(XI) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(XII) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF OUR COMPANY; AND

(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

(XIII) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

(XIV) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(XV) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the ROC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the ROC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Caution - Disclaimer from our Company and the BRLM

Our Company, the Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisement or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information, including our Company's website www.technofabengineering.com, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered into among the BRLM and our Company on January 11, 2010, and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor any member of the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs.25 crore and pension funds with a minimum corpus of Rs.25 crore, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of the competent court(s) in Mumbai, India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer clause of the BSE

The Bombay Stock Exchange Limited (“the Exchange ") has given vide its letter dated February 11, 2010, permission to this Company to use the the Exchange’s name in this offer document as one of the stock exchanges on which the Company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
(ii) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given by its letter ref.: NSE/LIST/133458-2 dated March 23, 2010, permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer of IPO Grading Agency

Attention is drawn to the Disclaimer appearing on page no. 264

FilingSs

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC, N.C.T. of Delhi and Haryana, located at NCT Delhi & Haryana, 5th Floor IFCI Tower, Nehru Place, New Delhi-110019, India.

Listing

Applications have been made to the BSE and the NSE for permission for listing of the Equity Shares being offered and sold in the Issue. The BSE will be the Designated Stock Exchange with which the basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company shall forthwith repay, without interest, all monies received from applicants in reliance on the Red Herring Prospectus. If such money is not repaid within eight days from the date on which our Company has become liable to repay it (i.e., from the date of refusal or within fifteen (15) days from the Bid/Issue Closing Date, whichever is earlier), then our Company and every Director of our Company who is an officer in default shall, on and from the expiry of such eight day period, be liable to repay such monies, together with interest at the rate of 15% per annum on the application monies, as prescribed under Section 73 of the Companies Act.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and the Compliance Officer, the Auditors, the legal advisors, the Bankers to our Company, lenders to our Company, the Bankers to the Issue ; and (b) the BRLM, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Rajesh Suresh Jain & Associates, Chartered Accountants, have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

M/s. Rajesh Suresh Jain & Associates, Chartered Accountants, have given their written consent to inclusion of their report relating to the possible tax benefits accruing to our Company and its shareholders in the form and context in which it appears in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

Fitch Ratings India Private Limited, a SEBI registered credit rating agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to the inclusion of its report in the form and context in which it will appear in the Red Herring Prospectus and the Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus with the Designated Stock Exchange.

Expert Opinion

Except the report of Fitch Ratings India Private Limited in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Red Herring Prospectus, our Company has not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

The total estimated expenses are Rs. [●] lakhs, which is [●] % of the Issue size.

Activity	Expenses* (Rs. in Lakhs)	Percentage of Issue Expenses*	Percentage of the Issue Size*
Lead management, underwriting and selling commission	[●]	[●]	[●]
Printing and Stationery expenses	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Others (IPO grading, registrar's fees, legal fee, listing fees etc.)	[●]	[●]	[●]
Total estimated issue expenses	**[●]**	**[●]**	**[●]**

**will be incorporated after finalization of Issue price*

Fees Payable to the BRLM and the Syndicate Members

The total fees payable to the BRLM and the Syndicate Members (including underwriting commission and selling commission and reimbursement of their out of pocket expenses) will be as per the engagement letter with the BRLM.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CANs/refund orders (or revised CANs, if required), preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement among our Company and the Registrar to the Issue dated December 30, 2009, a copy of which is available for inspection at our Company's Corporate Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Red Herring Prospectus or send allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in the five (5) years preceding the date of the Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Our Company has not made any previous issues of shares for consideration other than cash, except Bonus Issue, as mentioned in the section titled "Capital Structure" beginning on page 43 of this Red Herring Prospectus.

Commission or brokerage on Previous Issues

Our Company has not paid commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since inception.

Companies under the Same Management

No company under the same management within the meaning of Section 370(1B) of the Companies Act has made any public issue or rights issue during the last three (3) years.

Performance vis-a-vis objects – Last Three Issues

There has not been any previous public issue of our Equity Shares.

Performance vis-a-vis objects – Last Issue of Group/Associate Companies

All of our Group / Associate Companies are unlisted and have not made any public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement among the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least one (1) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) working days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Paresh Kumar Singh, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. He can be contacted at the following address:

Mr. Paresh Kumar Singh
Technofab Engineering Limited,
Plot 5, Sector 27-C,
Mathura Road,
Faridabad 121 003, Haryana.
Telephone**:** + 91 129 2270202
Facsimile**:** +91 129 2270201
Email: ipo@technofabengineering.com

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any other company, listed on any Stock Exchanges, under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act.

Change in Auditors

There have been no changes in our Company's auditors in the last three (3) years.

Capitalization of Reserves or Profits

Our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in the last five (5) years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid-cum- Application Form including ASBA Bid-cum- Application Form, the Revision Form, the CAN, the listing agreements and other terms and conditions as may be incorporated in the Allotment advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and the listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the Registrar of Companies, the RBI, the FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

1. The Board of Directors has, pursuant to a resolution passed at their meeting held on June 8, 2009, authorized the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

2. The shareholders of our Company have, pursuant to a resolution dated July 8, 2009 under Section 81(1A) of the Companies Act, authorized the Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 239 of this Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of each Equity Share is Rs.10. The Issue Price is Rs. [●] per Equity Share (discount of Rs. [●] to the Issue Price determined pursuant to completion of the Book Building Process has been offered to Eligible Employees). The Floor Price of the Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;

- The right to attend general meetings and exercise voting powers, unless prohibited by law;

- The right to vote on a poll either in person or by proxy;

- The right to receive offers for rights shares and be allotted bonus shares, if announced;

- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;

- The right to freely transfer their Equity Shares; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 239 of this Red Herring Prospectus.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall be in dematerialized form only. Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in this Issue will be in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Mumbai, India.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted shall vest. A person, being a nominee entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same benefits to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can only be made on the prescribed form available on request at the Registered Office of our Company or with the Registrar or transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to register himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant will prevail. If the investors wish to change their nomination, they are requested to inform their respective depository participant.

Bidding Period

Bidders may submit their Bids only in the Bidding Period. The Bid/Issue opening date is Tuesday, June 29, 2010 and the Bid/Issue closing date is Friday, July 02, 2010.

Minimum Subscription

If our Company does not receive a minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to refund the subscription amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of Allottees under the Issue shall not be less than 1,000.

Application by Eligible NRIs, FIIs and FVCIs

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs or FVCIs. Eligible NRIs, FIIs and FVCIs will be treated on the same basis as other categories for the purpose of Allocation. As per the RBI regulations, OCBs cannot participate in the Issue.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares or debentures and on their consolidation or splitting except as provided in our Articles. For further details, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 239 of this Red Herring Prospectus.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein upto 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds and the remaining QIB portion shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 50,000 Equity Shares shall be made available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

All Bidders (other than the ASBA Bidders) are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs, Bids by QIBs shall be submitted only to the BRLM, other than Bids by QIBs who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs. In case of QIB Bidders, our Company, in consultation with the BRLM may reject Bids at the time of acceptance of the Bid-cum-Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In the cases of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company will have a right to reject the Bids only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. The Bid cum Application forms which do not have the details of the Bidders' depsoistory account shall be treated as incomplete and rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders (other than ASBA Bidders) shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid. The Bidders shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. ASBA Bidders shall submit an ASBA Bid cum Application Form to the SCSB authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. Upon filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public, NRIs applying on a non repatriation basis	White
Eligible NRIs applying on a repatriation basis, FIIs, Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions and other Non-Residents applying on a repatriation basis	Blue
Eligible Employees	Pink

The physical ASBA Bid cum Application Form shall be White in colour.

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorizing blocking the funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders. The Bidders shall have the option to make a maximum of three Bids in the ASBA Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines.

2. Indian nationals resident in India who are not minors, in single or joint names (not more than three).

3. Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals.

4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue.

5. Foreign institutional investor and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, under the QIB category.

6. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Bidders Category.

7. State Industrial Development Corporations.

8. Insurance companies registered with the Insurance Regulatory and Development Authority, India.

9. Provident Funds with a minimum corpus of Rs.25 crore and who are authorized under their constitution to invest in Equity Shares.

10. Pension funds with a minimum corpus of Rs.25 crore and who are authorized under their constitution to invest in Equity Shares.

11. Companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in Equity Shares.

12. Venture Capital Funds (VCFs) registered with SEBI.

13. Foreign Venture Capital Investors (FVCIs) registered with the SEBI.

14. Mutual Funds registered with the SEBI.

15. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to the RBI regulations and the SEBI (ICDR) Regulations and regulations, as applicable).

16. Multilateral and bilateral development financial institutions.

17. Trusts / societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their constitution to hold and invest in Equity Shares.

18. Scientific and/or industrial research organizations in India authorized to invest in Equity Shares.

19. National Investment Fund set up by resolution No. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazatte of India.

20. Insurance funds set up and managed by army, navy or air force of the Union of India

21. Any other QIBs permitted to invest, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in the Issue.

22. Eligible Employees (as defined in the section titled "Definitions and Abbreviations" beginning on page 1 of this Red Herring Prospectus).

As per existing regulations, OCBs cannot Bid in the Issue.

The information below is given for the benefit of the Bidders. Our Company and the BRLM do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the limits prescribed under laws or regulations.

Participation by associates and affiliates of the BRLM and the Syndicate Members

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members may subscribe to or purchase the Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 73,500 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up capital carrying voting rights.

Bids by Eligible NRIs

Bid-cum-Application Forms have been made available for Eligible NRIs at the Registered Office of our Company and with members of the Syndicate. NRI applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI category. The Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) account shall use the application form meant for Resident Indians (White colour form) and shall not use the forms meant for the non-resident category.

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company (i.e., 10% of 10,49,000 Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid-up capital of our Company or 5% of the total paid-up capital of our Company, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to us, the total FII investment cannot exceed 24% of our Company's total paid-up capital. With the approval of the Board and the shareholders by way of a special resolution, the aggregate FII holding has been increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance with "Know Your Client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Associates and affiliates of the Underwriters, including the BRLM and the Syndicate Members that are FIIs or its sub-account (*other than a sub-account which is a foreign corporate or foreign individual*) may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by the SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended prescribe investment restrictions on VCFs and FVCIs. Accordingly, whilst the holding by any VCF or FVCI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF / FVCI, the VCF can invest its entire funds committed for investments into India in one (1) company. Further, VCFs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Pursuant to the SEBI (ICDR) Regulations, the shareholding of VCFs and FVCIs held in a company prior to making an initial public offering is exempt from lock-in requirements only if the shares have been held by them for at least one (1) year prior to the time of filing the draft prospectus with SEBI.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs.1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs.1,00,000. Where the Bid Amount is over Rs.1,00,000 due to a revision in the Bid or a revision in the Price Band or upon exercise of the option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders and Eligible Employees indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.1,00,000 and is in multiples of [●] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable laws. A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid.

    In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.1,00,000 to be considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs.1,00,000 or less due to a revision in the Bids or a revision in the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at Cut-off Price.

(c) For Bidders in the Employee Reservation Portion: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed Rs.1,00,000. In case of revision of Bids, the Eligible Employees have to ensure that the Bid Amount does not exceed Rs.1,00,000. Any Bids in the Employee Reservation Portion exceeding Rs.100,000 would be rejected. Where the Bid Amount is over Rs.1,00,000 due to a revision in the Bid or a revision in the Price Band or upon exercise of the option to bid at Cut-off Price, the Bid would be rejected. The Bidders in the Employee Reservation Portion may bid at Cut-off Price. However, Employee Discount will be applicable to all Eligible Employees with a maximum bid in the Employee Reservation Portion being Rs. 1,00,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis not exceeding Rs. 1,00,000 for each Eligible Employee.

Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid.

The Bidders are advised to ensure that any single Bid by them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described in the sub-section titled "Payment of Refund" under this section.

Information for the Bidder

1. Our Company in consultation with the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two (2) national newspaper one (1) each in English and Hindi newspaper and one regional newspaper with wide circulation.

2. Our Company will file the Red Herring Prospectus with the RoC at least three (3) days before the Bid/Issue Opening Date.

3. The members of the Syndicate will circulate copies of the Bid-cum-Application Form to potential investors, and at the request of potential investor's, copies of the Red Herring Prospectus.

4. Any Bidder (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and /or along with the Bid-cum-Application Form can obtain the same from the Corporate Office of our Company or from any member of the Syndicate.

5. Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Members or their authorized agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

6. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

8. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the member of the Syndicate. Bid-cum-Application Forms which do not bear the stamp of a member of the Syndicate will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI (ICDR) Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.

The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.

Method and Process of Bidding

1. Our Company in consultation with the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two (2) widely circulated national newspapers (one (1) each in English and Hindi) newspaper and one regional newspaper with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Schedule XIII of the SEBI (ICDR) Regulations. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and published in two (2) national newspapers (one (1) each in English and Hindi) and one regional newspaper with wide circulation, at least two (2) working days prior to the Bid/Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period. The BRLM and Syndicate Members shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.

2. The Bidding/Issue Period shall be for a minimum of three (3) working days and shall not exceed ten (10) working days. Where the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two (2) national newspapers (one (1) each in English and Hindi) and one regional newspaper with wide circulation and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate. The Bidding/Issue Period may be extended, if required, by an additional three (3) working days, subject to the total Bidding/Issue Period not exceeding ten (10) working days.

3. During the Bidding/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorized agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids. Bids by QIBs shall be submitted only to the BRLM, other than the Bids by QIBs who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs.

4. Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three (3) optional prices (for details refer to the paragraph "Bids at Different Price Levels") within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

5. The Bidder cannot Bid on another Bid-cum-Application Form after Bid(s) on one Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate or SCSBs will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment of Equity Shares in the Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure" beginning on page 208 of this Red Herring Prospectus.

6. The members of the Syndicate/SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS") for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.

7. During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bids. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.

8. Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment into the Escrow Account in the manner described under the sub-section titled "Terms of Payment and Payment into the Escrow Account" under this section.

   The identity of the QIB Bidders shall not be made public.

9. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

10. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

11. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

12. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

1. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price and Rs.[●] being the Cap Price. The Bidders can Bid at any price within the Price Band in multiples of Re. 1.

2. Our Company, in consultation with the BRLM and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI (ICDR) Regulations. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus or if the floor price or price band is not mentioned in the Red Herring Prospectus, our Company shall announce the Floor Price or Price Band at least two (2) working days before the opening of the bid in all the newspapers in which the pre- issue advertisement shall be released.

3. In case of a revision of the Price Band, the Bidding/Issue Period shall be extended for three additional working days, subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice at least two working days prior to the Bid/Issue Opening Date in English and Hindi national newspapers (i.e. all English and Hindi editions of Business Standard) and one regional newspaper (i.e. Hindi edition of Haribhoomi), each with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

4. Our Company, in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

   The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and the Bidders under the Employee Reservation Portion may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders and such Bids from QIBs or Non-Institutional Bidders shall be rejected.

5. Retail Individual Bidders and Bidders under the Employee Reservation Portion, who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion bidding at the Cut-off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who Bid at the Cut-off Price, the Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion shall receive the refund of the excess amounts from the Escrow Account in the manner described under the paragraph "Payment of Refund".

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs.1,00,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.1,00,000, the Bid will be considered for allocation under the Non-

Institutional Portion in terms of the Red Herring Prospectus, except Bids by Eligible Employees. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

8. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 – Rs.7,000.

Electronic Registration of Bids

1. The Syndicate and the SCSBs will register the Bids using the on-line facilities of the BSE and the NSE.

2. The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one (1) Working Day from the Bid/Issue Closing Date.

3. There will be atleast one (1) on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLM, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

4. The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bidding/Issue Period. The members of the Syndicate and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

5. The aggregate demand and price for Bids registered on electronic facilities of the BSE and the NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the BSE's website at www.bseindia.com and on the NSE's website at www.nseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding/Issue Period.

6. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

   - Name of the Bidder(s). Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;

   - Investor category—Individual, Corporate, QIBs, Eligible NRI, FVCI, FII & sub-account registered with SEBI (*other than a sub-account which is a foreign corporate or foreign individual*) or Mutual Fund, etc.;

   - Numbers of Equity Shares bid for;

- Bid price;

- Bid-cum-Application Form number;

- Cheque Amount;

- Cheque Number;

- Bid Amount paid upon submission of Bid-cum-Application Form; and

- Depository Participant identification number and client identification number of the demat account of the Bidder.

- PAN

7. With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the online system:
   - Name of the Bidder(s);
   - Application Number;
   - PAN (of First Bidder, in case of more than one Bidder);
   - Investor Category and Sub-Category:

Retail	**Non-Institutional**	**QIB**
(No sub category)	• Individual • Corporate • Other	• Mutual Funds • Financial Institutions • Insurance companies • Foreign Institutional • Investors other than corporate and individual • Sub-accounts

   - Employee/shareholder (if reservation);
   - DP ID and client identification number;
   - Beneficiary account number of Equity Shares Bid for;
   - Quantity;
   - Bid Account;
   - Bank Account number;
   - Cheque amount; and
   - Cheque number.

8. A system-generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

9. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

10. In case of QIB Bidders, only the BRLM and their Affiliate Syndicate Members have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, Bids would not be rejected except on the technical grounds listed in this Red Herring Prospectus. The Members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall not have the right to reject Bids, except on technical grounds.

11. The permission given by the BSE and the NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of

the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the BSE or the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

13. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate will be given up to one day after the Bid/Issue Closing Date to verify the information uploaded in the online IPO system during the Bid/Issue Period after which the date will be sent to the Registrar for reconciliation and Allotment of Equity Shares. In case of any discrepancy of data between the BSE or the NSE and the Members of the Syndicate or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the BRLM and the Registrar, based on the physical records of Bid Cum Application Forms shall be final and binding on all concerned. If the Syndicate Member finds any discrepancy in the DP name, DP Id and the Client Id, the Syndicate Member will correct the same and send the data to the Registrar for reconciliation and Allotment of Equity Shares.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate and the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis. Pursuant to Item 12(g) of Part A of Schedule XI to the SEBI Regulations, the bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals not exceeding 30 minutes.

2. The book gets built up at various price levels. This information will be available from the BRLM on a regular basis.

3. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart, from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in the Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three (3) options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, he must still complete all the details of the other two options that are not being changed in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

5. The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSBs through whom the original Bid was placed.

Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees, who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

8. Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.
9. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

10. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate or the SCSB, as applicable. **It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.**

11. Only Bids that are uploaded on the online IPO system of the BSE and the NSE shall be considered for allocation. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid-cum-Application Form, the decision of our Company, in consultation with the BRLM and the Designated Stock Exchange, based on the physical records of Bid-cum-Application Forms, shall be final and binding on all concerned.

12. Under the SEBI (ICDR) Regulations, QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with our Company.

2. Our Company, in consultation with the BRLM, shall finalize the Issue Price and the number of Equity Shares to be allocated in each investor category.

3. The allotment to QIBs will be upto 50% of the Net Issue to the Public, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders will be not less than 15% and 35% of the Net Issue to the Public, respectively, on a proportionate basis, in a manner specified in the SEBI (ICDR) Regulations and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

4. In case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids. The allocation under the Employee Reservation portion would be on a proportionate basis, in the manner specified in the SEBI (ICDR) Regulations and the Red Herring Prospectus, in consultation with the Designated Stock Exchange subject to valid Bids being received at or above the Issue Price.

   Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such inter-se spill over, if any, will be at the discretion of the Company in consultation with the BRLM.

5. Allotment to Eligible NRIs, FIIs & sub-account registered with SEBI (*other than a sub-account which is a foreign corporate or foreign individual*) or Mutual Funds or FVCls will be subject to applicable laws, rules, regulations, guidelines and approvals.

6. Our Company reserves the right to cancel the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment without assigning any reasons whatsoever.

7. Under the SEBI (ICDR) Regulations, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

8. Our Company, in consultation with the BRLM, reserves the right to reject any Bid procured from QIB Bidders Rejection of Bids by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting such Bid shall be provided to such Bidder in writing.

9. The allotment details shall be hosted on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement upon finalization of the Issue Price.

(b) After signing the Underwriting Agreement, our Company will update and file the Red Herring Prospectus with the RoC, which will be termed "Prospectus". The Prospectus will have details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Filing of the Prospectus with the RoC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in two (2) widely circulated national newspapers, one (1) each in English and Hindi and a regional newspaper with wide circulation.

Advertisement regarding the Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that is required to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such advertisement.

Issue of the Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual Bidders, Non- Institutional Bidders and Eligible Employee. However, the investor should note that our Company shall ensure that the instructions for credit of the Equity Shares to all investors in this Issue shall be given on the same date of Allotment.

(b) The Registrar will then send a CAN to the Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder.

(c) The issue of a CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Bidder

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within twelve (12) Working Days of the Bid/Issue Closing Date.

(b) As per the SEBI (ICDR) Regulations, Allotment of the Equity Shares will be only in dematerialized form to the allottees.

(c) Successful Bidders will have the option to re-materialize the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated / Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply having regard to applicable law, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;

(b) Ensure that your Bid is within the Price Band;

(c) Read all the instructions carefully and complete the Bid-cum-Application Form;

(d) Ensure that the details of your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialized form only;

(e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;

(f) With respect to ASBA Bids ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;

(g) Ensure that you have collected a TRS for all your Bid options;

(h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;

(i) Ensure that the full Bid Amount is paid for the Bids subsmitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted throught the SCSBs.

(j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(k) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(l) Each of the Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act in the Bid Cum Application Form. (Please refer to the sub-section titled "Permanent Account Number" under this section);

(m) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form; and

(n) Ensure that the Demographic Details are updated, true and correct in all respects.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid or revise the Bid to a price that is less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate or the SCSBs, as applicable;

(d) Do not pay the Bid amount in cash, by money order or by postal order, or by Stockinvest;

(e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate or the Designated Branch of SCSBs only;

(f) Do not Bid at the Cut-off Price in the case of a Bid by a QIB Bidder or a Non-Institutional Bidder;

(g) Do not complete the Bid-cum-Application Form such that the number of Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

(h) Do not bid at Bid Amount exceeding Rs.1,00,000, in the case of a Bid by a Retail Individual Bidder or Bid by Eligible Employees;

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

(j) Do not submit the Bids without the Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bidders can obtain Bid-cum-Application Forms and/or Revision Forms from the members of the Syndicate or the Corporate Office of our Company.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid-cum-Application Form or Revision Form, as applicable.

2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and /or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

4. Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. The Bidders should ensure that the details are correct and legible.

5. Bids from the Retail Individual Bidders and from Eligible Employees must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs.1,00,000.

6. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.1,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.

7. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, the name of the Bidders, Depository Participant's name, Depository Participant-identification number and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Bidders such as their address, bank account details for printing on refund orders or giving credit through ECS or Direct Credit, and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of

ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/credit of refunds to Bidders or unblocking of ASBA Account at the Bidder's sole risk and neither the BRLM nor our Company shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid-cum- Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN ON THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID-CUM-APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/NECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid-cum-Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid-cum-Application Form, the Bidder will be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if such refund orders or documents, once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidder) in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither the Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Eligible Employees

Eligible Employee shall mean Permanent and full-time employee of our Company, working in India or abroad or Director of our Company, whether whole time or part time and does not include Promoters and an immediate relative of our Promoters (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse) on the date of submission of the Bid-cum-Application form. Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid-cum-Application Form or Revision Form (i.e., pink colour form).
- The sole/First Bidder should be Eligible Employees as defined above. In case the Bid-cum- Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum- Application Form.
- Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- Eligible Employees can apply at the Cut-Off Price.The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by Eligible Employee does not exceed Rs.1,00,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut off Price.
- An Employee Discount of Rs.[●] to the Issue Price has been offered to Eligible Employees.

- Bid/Application by Eligible Employees can also be made in the Net Issue portion and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to 50,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand, subject to maximum number of Equity Shares not exceeding value of Rs.1,00,000..
- Any under-subscription in the Equity Shares under the Employee Reservation Portion will be added back to the Net Issue.
- If the aggregate demand in this category is greater than 50,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis.

Bids by Non-Residents, Eligible NRIs, FIIs and FVCIs on a repatriation basis

Bids and revisions to Bids must be made:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (Blue color form), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In the names of individuals, or in the names of FIIs & sub-account registered with SEBI (*other than a sub-account which is a foreign corporate or foreign individual*) or FVCIs and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

3. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

Bids by Eligible NRIs for a Bid Amount of up to Rs.1,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids by Eligible NRIs for a Bid Amount of more than Rs.1,00,000 would be considered under the Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the prevailing exchange rate and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose on the Bid-cum-Application Form. Our Company will not be responsible for any loss incurred by the Bidder on account of conversion of foreign currency.

It is to be clearly understood that there is no reservation for Non-Residents, Eligible NRIs and FIIs and other non-resident bidders, and all such Bidders will be treated on the same basis as with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

BIDS UNDER POWER OF ATTORNEY

In the case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies etc, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be submitted along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In the case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case, without assigning any reason thereof.

Bids by Insurance Companies

In the case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Provident Funds and Pension Funds

In the case of Bids made by provident funds, subject to applicable law, with a minimum corpus of Rs.25 crore and pension funds with a minimum corpus of Rs.25 crore, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Mutual Funds, VCFs and FVCIs

In the case of Bids made by Mutual Funds, VCFs and FVCIs, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

Our Company, in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Bid-cum- Application Form instead of those obtained from the Depositories.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one (1) or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and /or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSBs shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Accounts for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favor of:

   (a) In the case of resident QIB Bidders: "**Escrow Account–Technofab Public Issue – QIB – R**" **;**

   (b) In the case of Non-Resident QIB Bidders: "**Escrow Account– Technofab Public Issue – QIB– NR**"**;**

   (c) In the case of Resident - Retail and Non-Institutional Bidders: "**Escrow Account– Technofab Public Issue**"**;**

   (d) In the case of Non-Resident - Retail and Non-Institutional Bidders: "**Escrow Account – Technofab Public Issue – NR**"**; and**

   (e) In the case of Eligible Employees: "**Escrow Account – Technofab Public Issue- Employees**"

4. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.

5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.

6. In case of Bids by FIIs & sub-account and FVCIs the payment should be made out of funds held in a special rupee account along with documentary evidence in support of the remittance. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.

7. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders (other than ASBA Bidders) until the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts into the Public Issue Account as per the terms of the Escrow Agreement and the surplus amount to be transferred to refund account.

10. On the Designated Date and no later than ten (10) working days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for allocation/allotment to such Bidders.

11. **Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stockinvest/money orders/postal orders will not be accepted.**

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

Separate receipts shall not be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one). Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures to be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which will serve as a multiple master document.

2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.

3. The applications will be electronically matched for Depository Participant's identity (DP ID) and client identity (Client ID) numbers. If applications bear the same numbers, these will be treated as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids made by employees under both under the Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple bids.

Our Company, in consultation with the BRLM reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number ("*PAN*")

SEBI had issued a circular directing that with effect from July 2, 2007, PAN would be the sole identifiable number for participants transacting in the securities market, irrespective of the amount of transaction. Pursuant to Item XII(B)(17)(c) of Part A of Schedule VIII to the SEBI (ICDR) Regulations, all applicants are required to disclose their PAN allotted under the I.T. Act in the Bid-cum-Application Form, irrespective of the amount of the Bid. Applications in which PAN so allotted is not mentioned would be rejected.

Therefore, irrespective of the amount of the Bid, the Bidder or in the case of a Bid in joint names, each of the Bidders should mention his/her PAN allotted under the I.T. Act. Applications without this information will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR Number instead of the PAN as the Bid is liable to be rejected on this ground**.

OUR COMPANY'S RIGHT TO REJECT BIDS

In case of QIB Bidders, our Company, in consultation with the BRLM, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employee, our Company will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in this Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder‘s bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder‘s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;;

2. Bank account details (for refund) not given;

3. Age of first Bidder not given;

4. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;

6. Bidder's PAN number is not mentioned in the Bid;. It is to be specifically noted that the Bidders should not submit the GIR number instead of the PAN;

7. Bids for lower number of Equity Shares than specified for that category of investors;

8. Bids at a price less than the lower end of the Price Band;

9. Bids at a price more than the higher end of the Price Band;

10. Submission of more than five (5) ASBA Bid cum Application Forms per bank account;

11. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;

12. Bids for a number of Equity Shares, which are not in multiples of [●];

13. Category not ticked;

14. Multiple Bids as defined in the Red Herring Prospectus;

15. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;

16. Bids accompanied by Stockinvest/money order/postal order/cash;

17. Signature of sole and/or joint Bidders missing;

18. Bid-cum-Application Form does not have the stamp of the BRLM or the Syndicate Members ot the SCSB;

19. Bid-cum-Application Form does not have the Bidder's depository account details or the details given are incomplete;

20. Bid-cum-Application Form is not delivered by the Bidder within the time prescribed as per the Bid-cum-Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form;

21. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number;

22. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

23. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

24. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

25. Bids by QIBs not submitted through the BRLM or in case of ASBA Bids for QIBs not intimated to the BRLM;

26. Bids by OCBs;

27. Bids by U.S. residents or U.S. persons other than in reliance on Regulation S or Rule 144A under the Securities Act;

28. Bids by persons who are not eligible to acquire Equity Shares of our Company under any applicable law, rule, regulation, guideline or approval, in India or outside India; and

29. Bids by employees or directors of our Company who are not eligible to apply in the Employee Reservation Portion.

30. Bids by Eligible Employees for more than Rs.1,00,000 bidding under Employee Reservation Portion.

31. Bids not uploaded on the terminals of the Stock Exchanges;

32. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and

33. In case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database.

Equity Shares in Dematerialized form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form (i.e., not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

(a) a tripartite agreement dated September 7, 2009, among NSDL, our Company and the Registrar to the Issue; and

(b) a tripartite agreement dated September 16, 2009, among CDSL, our Company and the Registrar to the Issue.

All Bidders will be allotted Equity Shares only in dematerialized mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily complete the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid-cum-Application Form or Revision Form.

3. Equity Shares Allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

4. Names in the Bid-cum-Application Form or Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

5. If incomplete or incorrect details are given under the heading "Bidder’s Depository Account Details" in the Bid-cum-Application Form or Bid Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those recorded with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares will be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

9. Non-transferable allotment advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, the Bid-cum-Application Form number, details of the Depository Participant, number of Equity Shares applied for, the date of Bid-cum-Application Form, the name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and the cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Investors can contact the Compliance Officer or the Registrar to the Issue in the case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Paresh Kumar Singh as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems.

PAYMENT OF REFUND

Bidders other than ASBA Bidders should note that on the basis of the name of the Bidders, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository the Bidder's bank account details including a nine digit Magnetic Ink Character Recognition ("MICR") code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidder's sole risk and neither our Company, the BRLM and the Syndicate Members nor the Escrow Collection Banks shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS - Payment of refund would be done through NECS for applicants having an account at any of the 68 centres notified by SEBI, where clearing houses for ECS are managed by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through NECS is mandatory for applicants having a bank account at any of the sixty eight (68) centres notified by SEBI, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit or RTGS.

2. NEFT - Payment of refund may be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of the RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

3. Direct Credit - Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.

4. RTGS - Applicants having a bank account at any of the 68 centres notified by SEBI, and whose Bid Amount exceeds Rs.1,00,000, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC Code in the Bid-cum-Application Form. In the event of failure to provide the IFSC Code in the Bid-cum-Application Form, the refund shall be made through the NECS or direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.

5. Please note that only applicants having a bank account at any of the 68 centres notified by SEBI where clearing houses for NECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs.1,500 and through Speed Post/Registered Post for refund orders of Rs.1,500 and above. Some refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within ten (10) working days from the Bid/Issue Closing Date.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within fifteen (15) working days from the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two (2) working days of date of Basis of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within ten (10) working days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within ten (10) working days of Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within twelve (12) working days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within ten (10) working days of the Bid/Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within ten (10) working days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unlocking of the ASBA Bidder's Bank Account shall be made within ten (10) working days from the Bid/Issue Closing Date;

Our Company shall pay interest at 15% per annum for any delay beyond the fifteen (15) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the twelve (12) working days time prescribed above as per the SEBI (ICDR) Regulations.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the Syndicate Members will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Save and except refunds effected through the electronic mode, i.e., NECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years".

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.

- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Bids received from QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Portion shall be determined as follows:

  (i) If bids from Mutual Funds exceed 5% of the QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis for up to 5% of the QIB Portion.

  (ii) If the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

  (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to QIB Bidders as set out in (b) below.

(b) In the second instance allocation to all Bidders shall be determined as follows:

(i) In the event of an oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds who have received allocation as per (a) above, for less than the number of Equity Shares bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under subscription, if any, in the Mutual Fund Portion, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The BRLM, the Registrar to the Issue and the executive director or the managing director of the Designated Stock Exchange shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations. The drawing of lots (where required) to finalize the Basis of Allotment shall be done in the presence of a public representative on the governing board of the Designated Stock Exchange.

D. Employee Reservation Portion

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. Allocation to all the successful Employees will be made at the Issue Price less the Employee Discount.

- If the aggregate demand in this category is less than or equal to 50,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.

- If the aggregate demand in this category is greater than 50,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate allocation, refer below.

- Only Eligible Employees can apply for Equity Shares under the Employee Reservation Portion.

Procedure and Time of Schedule for Allotment and Demat Credit of Equity

The Issue will be conducted through a "100% book building process" pursuant to which the members of the Syndicate or SCSBs will accept bids for the Equity Shares during the Bidding/Issue Period. The Bidding/Issue Period will commence on Tuesday, June 29, 2010 and close on Friday, July 02, 2010. Following the expiration of the Bidding/Issue Period, our Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allocation and entitlement to Allotment based on the bids received and subject to confirmation by the BSE. Successful Bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations require our Company to complete the Allotment to successful Bidders within ten (10) working days of the expiration of the Bidding/Issue Period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of proportionate basis of Allotment

In the event the Issue is oversubscribed, the basis of Allotment shall be finalized by our Company, in consultation with the BRLM and the Designated Stock Exchange. The executive director or managing director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner. Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

(a) Bidders will be categorized according to the number of Equity Shares applied for by them.

(b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the oversubscription ratio.

(c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.

(d) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.

(e) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

Each successful Bidder shall be Allotted a minimum of [●] Equity Shares; and

The successful Bidders out of the total Bidders for a portion shall be determined by the drawing of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (c) above; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

No.	Particulars	Issue details
1	Issue size	200 crore Equity Shares
2	Allocation to QIB	100 crore Equity Shares
Of which:		
	a. Reservation to MF (5%)	5 crore Equity Shares
	b. Balance for all QIBs including MFs	95 crore Equity Shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 crore Equity Shares

B. Details of QIB Bids

No.	Type of QIB bidders#	No. of Equity Shares bid for (in crore)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
Total		**500**

 # A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of Equity Shares in crore)

Type of QIB bidders	Shares bid for	Allocation of 5 crore Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 crore Equity Shares to QIBs proportionately (please see note 3 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**

Type of QIB bidders	Shares bid for	Allocation of 5 crore Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 crore Equity Shares to QIBs proportionately (please see note 3 below)	Aggregate allocation to MFs
A1	50	0	9.6	0
A2	20	0	3.8	0
A3	130	0	24.9	0
A4	50	0	9.6	0
A5	50	0	9.6	0
MF1	40	1.0	7.5	8.5
MF2	40	1.0	7.5	8.5
MF3	80	2.0	15.0	17.0
MF4	20	0.5	3.7	4.2
MF5	20	0.5	3.7	4.2
	500	**5**	**95.0**	**42.4**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in "Basic Terms of the Issue" beginning on page 60 of this Red Herring Prospectus.

2. Out of 95 crore equity shares allocated to QIBs, 5 crore (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 crore shares in QIB category.

3. The balance 95 crore equity shares (i.e. 100 - 5 (available for mutual funds)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 crore equity shares (including 5 mutual fund applicants who applied for 200 equity shares).

4. The figures in the fourth column titled "Allocation of balance 95 crore equity shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than mutual funds (A1 to A5) = No. of shares bid for (i.e. in column II) X 95 / 495

   - For mutual funds (MF1 to MF5) = {(No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above)} X 95/495

   - The numerator and denominator for arriving at allocation of 95 crore shares to the 10 QIBs are reduced by 5 crore shares, which have already been allotted to mutual funds in the manner specified in column III of the tab5le above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall credit each beneficiary account with its depository participant within twelve (12) working days of the Bid/Issue Closing Date. Applicants that are residents of 68 cities where clearing houses are managed by the RBI will receive refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit, NEFT or RTGS. In the case of other applicants our Company shall ensure the dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's, sole risk within ten (10) working days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund, within ten (10) working days of the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within ten (10) working days of the Bid/Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within twelve (12) working days from the Issue Closure.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, our Company undertakes that:

- Allotment of Equity Shares and credit to the successful Bidders' depositary accounts will be completed within twelve (12) Working Days of the Bid/Issue Closing Date;

- Our Company further agrees that it shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions have not been given to clearing members and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Save and except refunds effected through the electronic mode, i.e., NECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by our Company

Our Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;

- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within twelve (12) working days of the Bid/Issue Closing Date;;

- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within twelve (12) working days of the closure of the Issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- that the certificates of the securities / refund orders to the eligible non-resident Indians shall be dispatched within the specified time; and

- that no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment;

Utilization of Issue proceeds

The Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in Section 73(3) of the Companies Act;

- details of all monies utilized out of the Issue shall be disclosed under an appropriate heading in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

- details of all unutilized monies out of the Issue, if any, shall be disclosed under the appropriate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

The Board of Directors also certifies that:

- the utilization of monies received from the Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilized; and

- the details of all unutilized monies out of the funds received from the Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of our Company, indicating the form in which such unutilized monies have been invested.

Our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed. Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If the Issue is withdrawn after the closure of bidding, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Board.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA.

While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Comprehensive Manual for Foreign Direct Investment - Policy & Procedures dated November 2005 issued by the Department of Industry Policy and Promotion, Ministry of Commerce and Industry does not prescribe any cap on the foreign investments in the sector in which our Company operates. Therefore, foreign investment up to 100% is permitted in our Company under the automatic route.

Transfers of equity shares previously required the prior approval of the FIPB. However, by a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended, (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Representation from the Bidders

No person shall make a Bid in Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S promulgated under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A promulgated under the Securities Act in reliance on Rule 144A and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of our Company. Pursuant to Schedule II of the Companies Act, 1956 and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and or their consolidation/splitting are required to be stated. The regulations contained in Table A of Schedule I of the Companies Act, 1956, shall apply to our Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of Association of our Company.

Company's funds may not be applied in purchase of or lent for shares of the Company

4. (i) The Company shall not have power to buy its own shares, unless the consequent reduction of Capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act.

(ii) The Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit:

(a) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or

(b) the making by the Company of loans, within the limit laid down in sub-section (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding company to be held by themselves by way of beneficial ownership;

(c) No loan made to any person in pursuance of clause (b) or the foregoing provisions shall exceed in amount, his salary or wages at that time for a period of six months;

(d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 of the Act.

INCREASE REDUCTION AND ALTERATION OF CAPITAL

Further issue of Shares

(b) Where at any time after the expiry of two years from the formation of a Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then

(i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the Capital paid up on those shares at that date.

(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement of this right.

(iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of directors may dispose of them in such manner as they think most beneficial to the Company.

(c) Notwithstanding anything contained in the preceding sub-clause (1), the further shares aforesaid may be offered to any persons [whether or not those persons include the persons referred to in clause (a) of sub-section (1)] in any manner whatsoever:-

(i) if a special resolution to that effect is passed by the company in general meeting, or

(ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(d) Nothing in clause (c) of sub-section (1) shall be deemed -
  (i) to extend the time within which the offer should be accpted, or
  (ii) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(e) Nothing in this article shall apply -
to the increase of the subscribed capital of the company caused by the exercise of an option attached to debentures issued or loans raised by the company -
  (i) to convert such debentures or loans into shares in the company, or
  (ii) to subscribe for shares in the company;
Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:
  (a) either has been approved by the Central Government before the issue of debentures or the raising of the loans, or is in conformity with the rules 197, if any, made by that Government in this behalf; and
  (b) in the case of debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans.

Shares at the disposal of the Directors

(e) Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Same as Original Capital

(a) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares shall be considered as part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

Power to issue Redeemable Preference Shares

7. (a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are liable to be redeemed;
Provided that:
  (i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;
  (ii) no such shares shall be redeemed unless they are fully paid;
  (iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed.
  (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a Reserve Fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.
(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its Authorised Share Capital.
(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.
Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.
(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid up bonus shares.

Provision in case of Redemption of preference shares

8. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, be giving not less than six month's previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect :
(a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its Registered Office in the presence of one Director at least; and
(b) Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the Registered Office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid, where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.

Reduction of Capital

9. The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be:
(a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;
(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up Share Capital which is lost or is unrepresented by available assets; or
(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up Share Capital which is in excess of the wants of the Company;
and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its Share Capital and of its shares accordingly.

Division, Sub-Division, Consolidation, Conversion and Cancellation of Shares

10. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say it may :
(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it

was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;

(c) covert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;

(d) cancel, shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled.

Notice to Register of Consolidation of Share Capital, Conversion of shares into stocks etc.

11. (a) If the Company has :
    - (i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;
    - (ii) converted any shares into stock;
    - (iii) reconverted any stock into shares;
    - (iv) sub-divided its share or any of them;
    - (v) redeemed any redeemable preference shares; or
    - (vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act,

    the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.

    (b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

Modifications of rights

12 If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being would up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to General Meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be quorum.

SHARES AND CERTIFICATES

Issue of further Shares not to affect right of existing share holders

13. The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.

Provisions of Sections 85 to 88 of the Act to apply

14. The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.

Register of Members and Debenture holders

15. (a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.

    (b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.

    (c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, Copies of Annual Returns and giving inspection thereof and furnishing copies thereof.

Commencement of business

16. The Company shall comply with the provisions of Section 149 of the Act.

Restriction on allotment

17. The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

Shares to be numbered progressively and no shares to be subdivided

18. The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Shares at the disposal of the Directors

19. Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

Every share transferable etc.

20. (i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
    (ii) Each share in the Company shall be distinguished by its appropriate number.
    (iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

Application of premium received on issue of shares

21. (a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the Share Premium Account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the Share Premium Account were paid-up Share Capital of the Company.
    (b) The Share Premium Account may, notwithstanding, anything in clause (a) above, be applied by the Company.
        (i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
        (ii) in writing off the preliminary expenses of the Company;
        (iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
        (iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.

Sale of fractional shares

22. If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may

authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Buy back of Shares

22A. Notwithstanding anything contained in any other Article of the Articles of Association, but subject to the provisions of Section 77 A and 77 B of the Act and Securities & Exchange Board of India (Buy back of Securities) Regulations 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resell any of its own fully/partly paid or redeemable Preference Shares or Equity Shares and any other security as may be specified under the Act, Rules and regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the Board may in its discretion decide and deem fit. Such Shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules & regulations governing such issue.

Acceptance of Shares

23. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.

Deposits and calls etc. to be a debt payable immediately

24. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertation of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Trusts not recognised

25. Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.

Issue of Certificates of Shares to be governed by Section 84 of the Act etc.

26. (a) The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any Stock Exchange where the shares of the Company may be listed for the time being.

Certificate of Shares

(b) The Certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.

(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.

Limitation of time for issue of certificate

27. (a) Every member shall be entitled, without payment, to one or more Certificate in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide. or within two months of the receipt of application of registration of transfer transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors may prescribe or approve provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

(b) The Company shall not entertain any application for split of share / debenture certificate for less than 10 (Ten) Equity Shares / 10 (Ten) debentures (all relating to the same series) in market lots as the case may be.
Provided however this restriction shall not apply to an application made by the existing members or debenture holders for split of share / debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company.

(c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulations) Act, 1956 as may be applicable.

Issue of new Certificate in place of one defaced, lost or destroyed

28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under these Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 2/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or Rules applicable in this behalf.

29. The provisions of these Articles shall mutatis mutandis apply to debentures of the Company.

LIEN

Company's lien on Shares/Debentures

44. The Company shall have first and paramount lien upon all the shares / debentures (other than fully paid up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any shares / debentures shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this Clause.

As to enforcing lien by sale

45. For the purpose of enforcing such lien, the Board may sell the shares / debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and / or debentures and may authorize one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member / debenture holder. No sale shall be made until such period, as may be

stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and / or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

46. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and / or debentures at the date of the sale.

Outsiders lien not to affect Company's lien

(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of Competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

FORFEITURE

If call or installment not paid notice must be given

47. (a) If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any shares or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.

Form of Notice

(b) The notice shall name a day not being less than One Month from the date of the notice and a place or places, on and at which such call, or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

In default of payment shares or debentures to be forfeited

48. If the requirements of any such notice as aforesaid are not complied with any share / debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actual paid before the forfeiture.

Entry of forfeiture in Register of members/debenture holders

49. When any shares / debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or Debenture Holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Forfeited share/debenture to be property of Company and may be sold

50. Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to annual forfeiture

51. The Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annual forfeiture thereof upon such conditions as they think fit.

Shareholders or Debenture holders still liable to pay money owing at time of forfeiture and interest

52. Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

Effect of forfeiture

53. The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.

Certificate of forfeiture

54. A certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorised by the Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made and that forfeiture of the share or debenture was made by the resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

Validity of sales under Articles 45 and 50

55. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of Members or Register of Debenture Holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of Members or Debenture Holders in respect of such shares or debentures the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

Cancellation of share/debenture Certificate in respect of forfeited shares/debentures

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said shares or debentures to the person/s entitled thereto.

Title of purchaser and allottee of forfeited shares/debentures

57. The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.

Surrender of Shares or Debentures

58. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of Transfers

59. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Form of Transfer

60. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, 1956 and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

Dematerialisation of Securities

60A. (1) The provisions of this Article shall apply notwithstanding any thing to the contrary contained in any other Article of these Articles.

(2) (i) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

(ii) Option for Investors:
Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.
If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.

(iii) Securities in Depository to be in fungible form:-
All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
Nothing contained in Sections 153, 153A, 153B, 187B, 187C & 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

(iv) Rights of Depositories & Beneficial Owners:-

(a) Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

(v) Service of Documents:-
Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

(vi) Transfer of Securities:-
Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(vii) Allotment of Securities dealt with in a depository:-
Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(viii) Register and Index of Members:-

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Instrument of transfer to be executed by transferor and transferee

61. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Directors may refuse to register transfer

62. (a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion any by giving reasons, decline to register of acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either; alone or jointly with any account whatsoever except when the company has lien the shares. Transfer of shares/debentures in whatever lot shall not be refused.

(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.

Transfer of Shares

63. (a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

(c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company along with the certificate relating to the shares and if no such certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

(d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.

(e) The Company shall accept all applications for transfer of shares / debentures, however, this condition shall not apply to requests received by the Company.

(A) for splitting of a share or debenture certificate into several scripts of very small denominations;

(B) proposals for transfer of shares / debentures comprised in a share / debenture certificate to several parties involving, splitting of a share / debenture certificate into small denominations and that such split / transfer appears to be unreasonable or without any genuine need.

(i) transfer of equity shares / debentures made in pursuance of any statutory provisions or an order of a Competent Court of law;

(ii) the transfer of the entire equity shares / debentures by an existing shareholder / debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.

(iii) the transfer of not less than 10 (ten) Equity shares or 10 (ten) Debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares / 10 (ten) debentures.

(iv) the transfer of less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) to the existing share holder / debenture holder subject to verification by the Company.

Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).

(f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

Custody of Instrument of transfer

64. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

Transfer books and Register of members when closed

65. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.

Transfer to Minors etc.

66. Only fully paid shares or debentures shall be transferred to a minor acting through his / her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

Title to shares of deceased holder

67. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary under Article 70 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of persons entitled to share otherwise than by transfer

68. (a) Subject to the provisions of Articles 67 and 77(d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Nomination

(c) (1) Every Shareholder or Debenture holder or Deposit holder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the event of his death in such manner as may be prescribed under the Act.

(2) Where the Shares or Debentures or Deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares or Debentures or Deposits as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under Section 58A (11) and 109A of the Act.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debenture holder or Deposit holder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(4) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or Deposits of, the Company, in the manner prescribed under the Act, in the event of his death, during the minority.

Transmission of Shares or Debentures

(d) (1) A nominee, upon production of such evidence as may be required by the Board and subject to provisions of Section 109B of the Act and as hereinafter provided, elect, either –

(a) to register himself as holder of the Share or Debenture, as the case may be; or

(b) to make such transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case may be, could have made.

(2) if the nominee elects to be registered as holder of the Share or Debenture himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.

(3) a nominee shall be entitled to the share dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.
provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.

Claimant to be entitled to same advantage

69. The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter with hold payment of all dividends, interest, bonuses or other moneys payable in respect of the share unit the requirements of the notice have been complied with.

Persons entitled may receive dividend without being registered as member

70. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share / debenture.

71. Article 70 shall not prejudice the provisions of Articles 44 and 55.

Refusal to register nominee

72. The Directors shall have the same right to refuse on legal ground to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Directors may require evidence of transmission

73. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

No Fees on transfer or transmission

74. No fees shall be charged for registration of transfer transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death of Marriage, Power of Attorney or similar other document.

The Company not liable for disregard of a notice prohibiting registration of transfer

75. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give affect thereto if the Directors shall so think fit.

76. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.

JOINT HOLDERS

Joint-holders

77. Where two or more persons are registered as the holders of any shares / debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

No transfer to more than four persons as joint holders

(a) The joint holders of any share / debenture shall be liable severally four persons as the holders of any share / debentures.

Transfer by joint holders

(b) In the case of a transfer of shares / debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.

Liability of joint holders

(c) The joint holders of any share / debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share / debenture.

Death of one or more joint holders

(d) On the death of any one or more of such joint holders the survivor / survivors shall be the only person or persons recognised by the Company as having any title to the share / debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares / debentures held by him jointly with any other person.

Receipt of one sufficient

(e) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share / debenture.

Delivery of certificate and giving of notices to first named holder

(f) Only the person whose name stands first in the Register of Members / debenture holders as one of the joint holders of any shares / debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice which expression shall be deemed to include all documents as defined in Article (2)(a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.

Vote of joint holders

(g) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by Attorney or by proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

BORROWING POWERS

Restriction on powers of the Board

78. The Board of Directors shall not, except with the consent of the Company in General Meeting and subject to Article 172 of the Articles of Association of the Company :

(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking.

(b) remit, or give time for the repayment of any debt due by a Director.

(c) invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition alter the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time.

(d) borrow monies where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

(e) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial year immediately preceding, whichever is greater.

Explanation: Every resolution passed by the Company in General Meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount upto which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).

Conditions on which money may be borrowed

79. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or

debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled Capital for the time being.

Bonds, debentures etc. to be subject to the control of Directors

80. Any bonds, debentures, debenture stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
Provided that bonds, debentures, debenture stocks or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution.

Securities may be assignable free from equities

81. Debentures, debenture stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount etc. or with special privileges

82. Any bonds, debenture stocks, or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, appointment of Directors and otherwise and subject to the following :

Debentures with voting rights not to be issued

(a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.
(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in section 125 of the Act.
(e) The term 'charge' shall include mortgage in these Articles.
(f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.

Limitation of time for issue of Certificate

(g) The Company shall, within three months after the allotment of any of its debentures or debenture stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture stocks otherwise provide.
The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Right to obtain copies of the inspect Trust Deed

(h) (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment.
(1) In the case of a printed Trust Deed of the sum of Rupee One and
(2) In the case of a Trust Deed which has not been printed of thirty seven paise for every one hundred words or fractional part thereof required to be copied.
(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

Mortgage of uncalled Capital

83. If any uncalled Capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled Capital in trust for the person in whose favour such mortgage or security is executed.

Indemnity may be given

84. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Registration of charges

85. (a) The provisions of the Act relating to registration of charges shall be complied with.
(b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.
(c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act.
(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any persons acquiring such property or any part thereof or any share as interest therein shall be deemed to have notice of the charge as from the date of such registration.
(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.
(f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.
(g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.
(h) The Provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.
(i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.
(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.
(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Managers as therein provided.
(l) The Company shall also comply with the provisions of section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.
(m) The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case :
   (i) a short description of the property charged;
   (ii) the amount of the charge; and
   (iii) except in the case of securities to bearer, the names of persons entitled to the charge.
(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.

Trust not recognised

86. No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture holders.

SHARE WARRANTS

Power to issue share warrants

87. The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the board may from time to time require issue a share warrant.

Deposit of share warrant

88. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of Members as the holder of the share included in the deposited warrant.
(b) Not more than one person shall be recognised as depositor of the share warrant.
(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

Privileges and disabilities of the holders of share warrant

89. (a) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any of privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.
(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.

Issue of new share warrant or coupon

90. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Shares may be converted into stock

91. The Company in general meeting may convert any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.

Rights of stock holders

92. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the dividends and profit of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privileges or advantages.

VOTES OF MEMBERS

Restrictions on exercise of voting rights of members who have not paid calls

104. (a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187 B of the Act.

Restriction on exercise of voting right in other cases to be void

105. A member is not prohibited for exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.

Equal rights of share holders

106. Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Voting to be by show of hands in first instance

107. At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.

108. (a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

No voting by proxy on show of hands

(b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

How members non compos minutes and minor may vote

(c) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

Votes in respect of shares of deceased or insolvent members etc.

(d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

(e) **Custody of Instrument**

If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(f) **Validity of votes given by proxy notwithstanding death of members etc.**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

(g) **Time for objections for vote**

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.

(h) **Chairman of any meeting to be the judge of any vote**

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Chairman's declaration of result of voting by show of hands to be conclusive

109. A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

110. (a) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.
(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

111. (a) A poll demanded on a question of adjournment shall be taken forthwith.
(b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Right of a member to use his votes differently

112. On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.

Scrutineers at poll

113. (a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.
(b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
(c) Of the two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof

114. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Casting Vote

115. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

116. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Representation of the President of India or Governors

117. (a) The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.
(b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.
(c) Public Trustee
The Company shall observe the provisions of Section 187B of the Act, in regard to the Public Trustee.

Circulation of member's resolution

118. The Company shall comply with provisions of Section 188 of the Act, relating to circulation of member's resolution.

Resolution requiring special notice

119. The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

120. The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

121. The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

122. (a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
    (i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
    (ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
(f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
    (i) the names of the Directors present at the meetings, and
    (ii) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
(g) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
    (i) is or could reasonably be regarded, as defamatory of any person
    (ii) is irrelevant or immaterial to the proceedings; or
    (iii) in detrimental to the interests of the Company.

    The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

(h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Presumptions to be drawn where minutes duly drawn and signed

123. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken placed and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Inspection of Minutes Books of General Meetings

124. (a) The books containing the minutes of the proceedings of any general meeting of the Company shall;
    (i) be kept at the registered office of the Company, and
    (ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.
(b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

Publication of reports of proceeding of general meetings

125. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two (2) years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, National Capital Territory of Delhi and Haryana for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at 507, Eros Apartments, 56, Nehru Place, New Delhi 110 019, India, from 10.00 a.m. to 4.00 p.m. on working days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Agreement dated January 11, 2010 amongst our Company and Collins Stewart Inga Private Limited.
2. Agreement dated December 30, 2009 executed by our Company with Registrar to the Issue.
3. Escrow Agreement dated June 7, 2010 between our Company, the BRLM, Escrow Collection Banks, the Syndicate Members and the Registrar to the Issue.
4. Syndicate Agreement dated June 7, 2010 between our Company, the BRLM and Syndicate Members.
5. Underwriting Agreement dated [●] between our Company, the BRLM and Syndicate Members.

Material Documents

1. Our Company's Memorandum of Association and Articles of Association, as amended.
2. Our Company's Certificate of Incorporation.
3. Board Resolution dated June 8, 2009 authorizing the Issue and related matters.
4. Shareholders' resolutions dated July 8, 2009 authorizing the Issue and related matters.
5. Shareholder's resolution dated September 30, 2008 and July 8, 2009 for appointment of the Whole time Director and the Managing Director respectively, of our Company.
6. Copies of annual reports of our Company for the years ended March 31, 2010, 2009, 2008, 2007 and 2006.
7. Report of the Auditor, M/s Rajesh Suresh Jain & Associates, Chartered Accountants, dated May 24, 2010 prepared as per Indian GAAP and mentioned in the Draft Red Herring Prospectus.
8. Copy of the tax benefit statement dated May 24, 2010 from the Statutory Auditor in this case being M/s Rajesh Suresh Jain & Associates, Chartered Accountants.
9. Consents of the Bankers to our Company, the BRLM, the Syndicate Members, the Registrar to the Issue, the Escrow Collection Bank(s), the Bankers to the Issue, the Lenders to our Company, the Legal Advisors to our Company, the Statutory Auditors and the Underwriters, the Directors of our Company, the Company Secretary and the Compliance Officer, as referred to, in their respective capacities.
10. IPO grading report dated April 26, 2010 issued by Fitch Ratings India Private Limited, a credit rating agency registered with SEBI.
11. Applications dated January 18, 2010 for in-principle listing approval to the BSE and NSE, respectively.
12. In-principle listing approvals dated February 11, 2010 and March 23, 2010 from the BSE and the NSE, respectively.
13. Tripartite Agreement among NSDL, our Company and the Registrar to the Issue dated September 7, 2009.

14. Tripartite Agreement among CDSL, our Company and the Registrar to the Issue dated September 16, 2009.

15. Due diligence certificate dated January 13, 2010 to SEBI from the BRLM.

16. SEBI observation letter no. CFD/DIL/ISSUES/SK/MS/OW/4555/2010 dated May 11, 2010.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the SEBI (ICDR) Regulations issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-
Mr. Avinash C. Gupta

Sd/-
Mr. Arjun Gupta

Sd/-
Mr. Nakul Gupta

Sd/-
Dr. Nitish Kumar Sengupta

Sd/-
Mr. Pawan Chopra

Sd/-
Mr. V.S. Mathur

Sd/-
Mr. Arun Mitter

SIGNED BY THE SENIOR MANAGER (ACCOUNTS)

Sd/-
Mr. Krishanpal Gupta

Date: June 08, 2010

Place: New Delhi

FitchRatings
KNOW YOUR RISK

Mr. Avinash Gupta
Chairman and Managing Director
Technofab Engineering Limited
Plot No 5, Sector 27C,
Mathura Road, Faridabad,
Haryana - 121003
Fax: (0129) - 2270201

March 25, 2010

Kind Attn: Mr. Avinash Gupta, Chairman & Managing Director

Dear Sir,

Re: IPO Grading for Technofab Engineering Limited, in connection with an initial public offering of 2,990,000 equity shares of INR 10 each (the "Shares")

You have requested the IPO Grading described above from Fitch Ratings India Pvt. Ltd. ("**Fitch India**"). This IPO Grading is a point-in-time assessment and does not constitute a credit rating by Fitch India of Technofab Engineering Limited or, for the avoidance of doubt, of the Shares. Our procedures for issuing a credit rating differ from the procedures used to issue the IPO Grading. In addition, a point-in-time assessment will not be monitored by Fitch India and therefore will not be updated to reflect changed circumstances or information that may affect the IPO Grading referred to in this letter.

This letter notifies you that, based largely upon our assessment of the fundamental financial strength of Technofab Engineering Limited, Fitch India assigns an IPO Grading for Technofab Engineering Limited of '3(ind)', out of a maximum of '5(ind)'.

This IPO Grading is based on the information and documents provided to us by you and other parties. Fitch India relies on all these parties for the accuracy of such information and documents. Fitch India did not audit or verify the truth or accuracy of such information and does not take responsibility for the appropriateness of the information provided and used in our analysis. Fitch India provides this IPO Grading "as is" and does not represent, warrant or guarantee (i) the accuracy, correctness, integrity, completeness or timeliness of any part of this IPO Grading, or (ii) that this IPO Grading and the information and analyses contained in, and constituting a part of, this IPO Grading will fulfill any of your or any third party's particular purposes or needs.

Fitch India is not your advisor, nor is Fitch India providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. This IPO Grading should not be viewed as a replacement for such advice or services. Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between you and us or between us and any third party, including, without limitation, any user of this IPO Grading.

As set out in the Fitch India fee letter, dated 1 February 2010, (i) Fitch India is not responsible for any underwriting, credit, loan, purchase, strategic or investment decision, or damages or other losses resulting from use of this IPO Grading and (ii) none of Fitch India, its officers, employees, affiliated companies and their officers and employees shall have any liability in contract, tort, or otherwise (including, without limitation, for any direct indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits) in relation to the use of this IPO Grading by any third party. The report providing this IPO Grading is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by you and your agents in connection with the sale of the Shares. In providing this IPO Grading, Fitch India is not making any recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan, or security of any issuer. This IPO Grading does not comment on the suitability of the issue process, the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. Any person who uses this IPO Grading does so entirely at its own risk. Investors are advised to obtain individual financial advice based on their risk profile before taking any action based on this IPO Grading.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact either of undersigned at 022 4000 1700.

Sincerely,

A. Bhoumik

Ananda Bhoumik
Senior Director

Rakesh

Rakesh Valecha
Senior Director

Construction/India
IPO Grading Report

Technofab Engineering Limited

Fitch IPO Grade 3(ind)

Fitch has assigned a grade of '3 (ind)' out of a maximum of '5 (ind)' to the proposed initial public offer of Technofab Engineering Limited (TEL). The grade indicates the average fundamentals of the issue relative to other listed equity securities in India.

IPO Details

Technofab Engineering Limited proposes an IPO of its up to 2,990,000 equity shares of INR 10 each.

Financial Snapshot

Technofab Engineering Limited

(INRm)	2009	2008
Revenues	1,493.1	813.5
Operating EBITDA	215.9	97.7
Operating EBIT	208.4	95.1
Net income	116.9	52.8
Total debt	162.1	42.1
Total adjusted debt	162.1	83.1
Net worth	322.0	213.9
Op. EBITDA margin (%)	14.5	12.0
Op. EBIT margin (%)	14.0	11.7
Net income margin (%)	7.8	6.5
Earnings per share	15.6	7.0
Total adjusted debt/equity	0.5	0.4

Analysts

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Grading Rationale

The grading factors in TEL's strong revenue growth, improving margins and order book of INR5.3bn, , which is 3.5 times of its 12 months ending March 2009 (FY09) revenue. TEL reported strong revenue growth of 84% in FY09 (FY08: 33%), with the EBITDA margin improving to 14.5% (FY08: 12%) and earnings per share (EPS) to INR15.6 (FY08: INR7.0). Despite increase in revenue in FY09, TEL kept its working capital requirements at a lower level than in FY08, as indicated by its improving cash conversion cycle. Gammon India Limited (GIL) acquired a 15.7% stake in TEL in FY07, and the association has benefited TEL by enabling it to bid for and secure projects for which it was not previously eligible due to net worth and/or revenue criteria.

The company's grading is constrained, by its moderate size of operations, moderate concentration risk and its presence in an industry characterised by high working capital requirements. The top five customers contributed to around 75% of its FY09 revenue and 47% of its current order book. Fitch Ratings notes that the company has limited track record of growth, having grown mainly during FY08-FY10.

The company is proposing an initial public offering (IPO) of 2.99 million equity shares of face value of INR10 a share. The purpose of the IPO is to meet working capital requirements of INR300m, purchase construction equipment and storage facilities for INR203.6m, setting up training centre for employees for INR54m and balance for other general corporate purposes.

Key Grading Issues

Areas of Strength

- Over 3 decades of experience of turnkey engineering and construction.
- Strong revenue, profitability and EPS growth since FY08
- Strong order book of INR5.3bn as on 31st January 2010 – almost 3.5 times of the FY09 revenue
- Recent association with Gammon India Limited (GIL).

Areas of Concern

- Relatively smaller size of the company and thus execution risk on completing large orders.
- Little growth track record (most growth has happened in FY08 and FY09); profitability also improved drastically only since FY08.
- Industry norm of high working capital requirements with progressive payments from projects and margin money to be kept in the form of fixed deposits for furnishing bank guarantees
- Moderate concentration risk with top 5 customers of the company representing 75% of total revenues in FY09 (95% in FY08 and 88% in FY07).

Company Background

TEL is a closely held unlisted company headed by Mr Avinash C. Gupta, with technical and commercial support by a team of engineers and professionals. The company was incorporated in 1971 and has over three decades of turnkey engineering and construction experience.

The company has evolved from a piping, valves and pressure vessels fabricator to an engineering, procurement and construction (EPC) company undertaking turnkey packages relating to low-pressure piping systems, fuel oil handling systems and fire protection systems, and eventually executing comprehensive electromechanical packages. The company has regional and support offices in Mumbai, Kolkata and at various other sites. Also, it has registered subsidiaries in Zambia, Ghana and Ethiopia. The company had orders worth of INR3.5bn in hand on 1 January 2010.

During FY07, TEL entered into strategic tie-up with GIL for equity/management participation. As a result, TEL divested a 9% holding to GIL and 6.7% holding to Associated Transrail Structures Ltd (ATSL, now merged in GIL). The association was mainly to meet the prequalification criteria due to net worth and turnover constraints.

Promoters

TEL's promoters (main shareholders) are Mr Avinash C. Gupta (1.75m equity shares), Mr Arjun Gupta (0.43m) and Mr Nakul Gupta (0.43m), collectively holding, along with other promoters, a majority stake of 51%. The company has a well-qualified management team, which is experienced in the turnkey and construction industry.

Business Overview

TEL mainly provides EPC services for various balance of plant (BoP) packages for sectors like conventional power, nuclear power, oil and gas, water and waste water treatment, industrial and infrastructure, and electrical distribution and rural electrification.

Income Breakdown by Sector

Sectors (%)	FY09	FY08	FY07
Conventional power	22	37	32
Nuclear power	17	0	0
Oil and gas	13	55	0
Water and waste water treatment	35	1	0
Industrial and infrastructure sectors	13	7	68
Electrical distribution and rural electrification	0	0	0
Total	**100**	**100**	**100**

Source: TEL's prospectus

Recently Completed Projects

Client	Project Details	Project value (INR m)	Year of completion
Tema Oil Refinery Limited, Ghana	New seawater intake pumping station and fibreglass pipeline from harbour to the refinery sea water basin	625.3	August 2009
Bharat Heavy Electricals Ltd.	Fuel Oil Unloading, Storage and Handling System and LP piping package for its Chattisgarh thermal plant	172	December 2007
National Thermal Power corporation Ltd.	LP piping package for NTPC's thermal power project, Orissa	240	December 2004
AHC Mining Municipal Services Limited, Zambia	Rehabilitation of Water Treatment Plant and Equipment as part of Mine township Services Project in Zambia, Africa	166.6	December 2005
Bharat Heavy Electricals Ltd.	Fire Detection, Alarm & Protection System for Bakreshwar Thermal Power, West Bengal	187	March 2005
BSES Limited	Naphtha & HSD Fuel Oil Unloading, Storage and Forwarding System Samalkot power plant, Andhra Pradesh	54.4	July 2003

Source: TEL's prospectus

Financial Performance

TEL recorded a CAGR of 31% during FY05-FY09, with most of the growth happening in FY08 and FY09. TEL's revenue grew by 84% in FY09 to INR1.5bn, with EBITDA also growing significantly, by 121% (FY08: 240%) to INR215m, and its margin improving by 250bp to 14.5% (FY08: 12.0%). This was mainly due to the higher number of overseas contracts awarded and partly completed during the year, which normally have higher operating margins.

Despite an increase in the net interest expense by 91% to INR28m (mainly due to higher usage of non-fund-based limits), the EBITDA interest coverage ratio improved to 7.6x from 6.6x in FY08. Net income also grew significantly, by 98% to INR117m (FY08: INR59m), with the profit after tax (PAT) margin increasing to 8% from 7% in FY08.

For the nine months to end-December 2009 (9M10), the company posted 18% yoy revenue growth to INR1.1bn, with the margins further improving to 16% from 14.5% in FY09. Total debt declined slightly to INR147m from INR162m at end-March 2009; however, the net debt/EBITDA ratio increased slightly to 0.7x, with a decline in cash levels to INR16.4m from INR63.6m at FYE09.

The company is characterised by high working capital requirements, as it receives progressive payments from projects (which range from one to three years) on the basis of the milestones achieved. However, the company has been able to improve its cash conversion cycle in the last two years, which reached to almost eight days in FY09 against 110 days in FY07 and 46 days in FY08. At FYE09, total receivable were INR319m; around 10% of debtors were of more than six months overdue, compared with FYE08, when almost 40% of total debtors were more than 24 months old.

At FYE09, TEL had total debt of INR162m, up from INR42m at FYE08 due to an increase in the scale of operations, which mainly reflects a rise in working capital limits to INR118.2m (FY08: INR95m), with the rest being an unsecured loan from directors of INR14.9m and an inter-corporate loan of INR28.9m. TEL's net financial leverage remained stable at 0.5x at FYE09 (FYE08: 0.5x). At FYE09, TEL's liquidity was comfortable, with a cash balance of INR63.6m and positive free cash flow of INR179.5m. The company has minimal capital investment requirements and most of its working capital requirements are met by either higher working capital limits available from the banks or unsecured loans from directors. The proceeds from IPO of INR750m will also enhance the liquidity of the company, as almost INR300m of the total proceeds will be used for company's working capital requirements.

Outlook

The continued growth in the Indian economy, with the government of India's focus on infrastructure and TEL's association with GIL should keep the company's order book robust and will contribute to sustained high revenue growth. However, the sustainability of the high revenue growth in FY08 and FY09 will largely depend on the company's ability to manage large projects and execute them on time and within cost estimates.

Annex 1: Financial Performance

Financial Summary

	FY09	FY08	FY07	FY06	FY05
Income statement					
Revenue	1,493.10	813.5	613.9	567	501.3
Revenue growth	83.5	32.5	8.3	13.1	18
EBIT	208.4	95.1	25.4	22.0	10.7
Interest expense net of interest income	28.2	14.8	15.9	17.4	11
Net income	116.9	52.8	7.9	4.8	2.5
Balance Sheet					
Cash and equivalents	63.6	35.5	5.9	12.6	1.2
Total assets	971.1	563.7	437.1	454	474.2
Short-term debt	118.3	42.1	83.9	97.8	105.5
Senior long-term debt	28.9	0	61.9	129.8	120.9
Subordinated debt	14.9	0	0	0	0
Total debt	162.1	42.1	145.8	227.6	226.4
Off-balance-sheet debt	0	41	0	0	0
Total adjusted debt	162.1	83.1	145.8	227.6	226.4
Common equity	322	213.9	140.3	132.4	127.6
Total adjusted capitalisation	484.1	297	286.1	360.1	354.1
Cash flow					
Operating EBITDAR	215.9	97.7	28.7	23.2	11.9
Cash interest paid, net of interest received	28.2	14.8	15.9	17.4	11
Cash tax paid	63.3	27.3	4.1	0.7	0
Funds from operations	124.4	58.7	8.6	5.1	0.9
Working capital	93.7	112.4	71.9	-23.5	-5.6
Cash flow from operations	218.2	171	80.6	-18.3	-4.7
Non-operational cash flow***	5	-6.8	0	0	0
Capital expenditure	30.7	13.9	1.6	-0.3	0.4
Dividends paid	8.8	4.4	0	0	0
Free cash flow	183.7	145.9	71.1	-18.1	-5.1
Exceptional and other cash flow items	-126.4	-17.7	-3.1	24.9	-0.5
Net cash in/outflow	57.3	128.3	68	6.8	-5.6
Equity issuance/(buyback)	0	25	0	0	0
Net cash flow available for financing	57.3	153.3	68	6.8	-5.6
Closing net debt	-78.9	-21	131	207.3	214.9
Profitability					
Operating EBITDAR/revenue (%)	14.5	12	4.7	4.1	2.4
EBIT/revenues (%)	14	11.7	4.1	3.9	2.1
FFO return on adjusted capital (%)	32.4	25.1	8.7	6.4	3.5
Credit ratios					
Funds from operations/gross interest expense (x)	4.8	4.7	1.5	1.3	1.1
FFO fixed charge cover (x)	4.8	4.7	1.5	1.3	1.1
Operating EBITDAR/net fixed charges (x)	7.6	6.6	1.8	1.3	1.1
Adjusted leverage/FFO (x)	1	1.4	5	5.4	9.8
Total adjusted debt net of cash/operating EBITDAR (x)	0.5	0.5	4.9	9.3	18.9
Total adjusted debt/total adjusted capitalisation (%)	33.5	28	51	63.2	64

Source: Company financials, Fitch