



## SIMPLEX PROJECTS LIMITED

(Incorporated as Simplex Projects Limited on 31<sup>st</sup> October 1990 under the Companies Act, 1956, with its registered office at 12/1, Nellie Sengupta Sarani, Kolkata – 700087.)

**Registered Office/Corporate Office:** 12/1, Nellie Sengupta Sarani, Kolkata – 700087.

**Tel.:** +91-33-32923330; **Fax:** +91-33-22528013; **Website:** www.simplexprojects.com; **E-mail:** ipo@simplexprojects.com

**Contact Person:** Mr. Pradeep Mishra, Senior Vice President (Finance) & Compliance Officer

**ISSUE OF 30,00,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. [●] PER SHARE) AGGREGATING RS. [●] LACS BY SIMPLEX PROJECTS LIMITED ("COMPANY" OR "ISSUER"). THE ISSUE COMPRISES OF "NET ISSUE TO THE PUBLIC" OF 30,00,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] LACS ("NET ISSUE"). THE NET ISSUE WILL CONSTITUTE 25.00% OF THE FULLY DILUTED POST-ISSUE PAID-UP CAPITAL OF SIMPLEX PROJECTS LIMITED ("COMPANY").**

**Price Band: Rs. 170 to Rs. 185 Per Equity Share of Face Value of Rs. 10 Each**

**The Issue Price is 17 times of the Face Value at the Lower End of the Price Band and 18.5 times of the Face Value at the Higher End of the Price Band**

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

This Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") as specified in the Disclosure and Investor Protection Guidelines, 2000 of the Securities and Exchange Board of India ("SEBI"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

### RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the Company, there has been no formal market for the Equity Shares of the Company. The Face Value of the Equity Shares is Rs. 10/- and the Issue Price is 17 times of the Face Value at the lower end of the Price Band and 18.5 times of the Face Value at the higher end of the Price Band. The Issue Price (as determined and justified by the Book Running Lead Manager in consultation with the Company in the paragraph titled "Basis for Issue Price" on Page 50 of this Red Herring Prospectus on the basis of the assessment of market demand for the Equity Shares issued by way of Book Building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk involved. The Equity Shares issued 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 this document. Specific attention of the investors is invited to the statement of Risk Factors beginning on Page 8 of this Red Herring Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Simplex Projects Limited, having made all reasonable enquiries, accepts responsibility for, and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of 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 document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### OUR COMPANY HAS NOT OPTED FOR IPO GRADING

### LISTING

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai. The in-principle approval for listing from these stock exchanges have been received vide letters dated 20<sup>th</sup> February 2007 & 7<sup>th</sup> May 2007 respectively. For purposes of the Issue, BSE shall be the Designated Stock Exchange.

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE



##### UTI Securities Limited

(A Subsidiary of Securities Trading Corporation of India Limited)  
SEBI Regn. No.: INM000007458 ;  
AMBI Registration No.: AMBI/083  
1<sup>st</sup> Floor, Dheeraj Arma, Anant Kanekar Marg,  
Station Road Bandra (East), Mumbai – 400 051.  
Tel: +91-22- 67515825 Fax: +91-22-67023194  
Website: www.utisel.com E-mail: simplexipo@utisel.com  
Contact Person: Mr. Rajesh Ranjan

#### REGISTRAR TO THE ISSUE



##### Cameo Corporate Services Limited

SEBI Regn. No.: INR000003763  
"Subramanian Building", No.1,  
Club House Road, Chennai- 600002.  
Tel: +91-44-28460390/22520464  
Fax: +91-44-28460129  
Website: www.cameoindia.com  
E-mail: simplex@cameoindia.com  
Contact Person: Mr. R.D. Ramasamy.

### Issue Programme

**BID / ISSUE OPENS ON: TUESDAY JULY 10, 2007**

**BID / ISSUE CLOSES ON: FRIDAY JULY 13, 2007**

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## SECTION I – DEFINITIONS AND ABBREVIATIONS

Term	Description
“The Issuer” or “The Company” or “SPL” or “Simplex Projects Limited” “We” or “us” or “our”	Unless otherwise specified, these references mean Simplex Projects Limited , a public limited company incorporated under the Companies Act, 1956
Our Subsidiary and our wholly owned subsidiary	Unless the context otherwise requires, refers to our Subsidiary, Simpark Infrastructure Private Limited.

## CONVENTIONAL / GENERAL TERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956
Directors	The directors of our Company, unless the context otherwise requires
Equity Shares	The Equity Shares of Face Value of Rs. 10/- each of our Company
Indian GAAP	Generally Accepted Accounting Principles in India
Non Resident	A person who is not an NRI, an FII and is not a person resident in India
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 as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Quarter	A period of three continuous months
RBI Act	The Reserve Bank of India Act, 1934
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI Guidelines	Means the extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called SEBI (DIP) Guidelines, 2000.
Stock Exchanges	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

## ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue
Banker(s) to the Issue	ICICI Bank Ltd , HDFC Bank Ltd , Standard Chartered Bank, UTI Bank Ltd.
Bid	An indication to make an offer made during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
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 Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper and Hindi national newspaper. and One regional News paper
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of this Red Herring Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English national newspaper and Hindi national newspaper and One regional News paper
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus

<b>Term</b>	<b>Description</b>
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process	Book building route as provided under Chapter XI of the SEBI Guidelines, in terms of which this Issue is made
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate
BRLM	Book Running Lead Manager to this Issue, in this case being UTI Securities Limited
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Cut-off	The Issue Price finalized by our Company in consultation with the BRLM
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act, 1996
Designated Date	The date on which funds are transferred from the Escrow Account of our Company to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall transfer Equity Shares to successful bidders
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)
Draft Red Herring Prospectus	Means the Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are being issued and number of Equity shares being issued through this Issue. Upon filling with RoC at least three days before the Bid/Issue opening date it will become the Red herring Prospectus. It will become the Prospectus after filing with the RoC after the pricing and allocation
Equity Shares	Equity shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the BRLM and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened and in this case being ICICI Bank Ltd , HDFC Bank Ltd , Standard Chartered Bank, UTI Bank Ltd.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted
Issue	The issue of 30,00,000 Equity Shares of Rs. 10/- each fully paid up at the Issue Price determined by our Company in consultation with the BRLM in terms of this Red Herring Prospectus.
Issue Management Team	The team managing this Issue as set out in the section titled “General Information” in this Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in term of this Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Period	The Issue period shall be July 10 <sup>th</sup> , 2007 being the Bid/Issue Opening date, to July 13 <sup>th</sup> 2007 , being the Bid/Issue Closing date
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may be 10% or 100% of the Bid Amount.

<b>Term</b>	<b>Description</b>
Net Issue or Net Issue to Public	3,000,000 Equity Shares of Rs. 10/- each, Aggregating Rs. [•] Lacs.
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs.1, 00,000
Non Institutional Portion	The portion of this Issue being not less than 15% of the Net Issue i.e. 4,50,000 Equity Shares of Rs.10 each available for allocation to Non Institutional Bidders
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% Margin Amount at the time of bidding, as applicable
Pay-in-Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date
Price Band	Being the price band of a minimum price (Floor Price) of Rs. 170 and the maximum price (Cap Price) of Rs. 185 and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLM finalizes the Issue Price
Promoter	The natural persons who are Promoters are: i. Mr. Balkrishandas Mundhra ii. Mr. Raghav Das Mundhra. iii. Mr. Sudarshan Das Mundhra The companies which are Promoter are: i. Simplex Fiscal Holdings Private Limited ii. Bharat Gypsum Private Limited iii. Pioneer Engineering Company Private Limited iv. Kirti Vinimay Private Limited
Prospectus	The Prospectus, filed with the RoC containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the number of Equity shares being issued through this Issue and certain other information
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
Qualified Institutional Buyers or QIBs	Public financial institution as defined in section 4A of the Companies Act, 1956; scheduled commercial banks; mutual funds; foreign institutional investor registered with SEBI; multilateral and bilateral development financial institutions; venture capital funds registered with SEBI; foreign venture capital investors registered with SEBI; state industrial development corporations; insurance companies registered with the Insurance Regulatory and Development Authority (IRDA); provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs.
QIB Portion	The portion of this Issue being not more than 50% of the Net offer, i.e.15,00,000 Equity Shares of Rs 10 each available for allocation on proportionate basis to QIBs of which 5% shall be proportionately allocated to Mutual Funds registered with SEBI.
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have not Bid for an amount more than Rs. 1,00,000/- in any of the bidding options in this Issue
Retail Portion	The portion of this Issue being not less than 35% of the Net Issue i.e. 10,50,000 Equity Shares of Rs. 10 each 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)
Registrar to the Issue or Registrar	Means Cameo Corporate Services Limited
Syndicate	The BRLM and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into between our Company, BRLM and the Syndicate Member(s), in relation to the collection of Bids in this Issue
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Member(s) are appointed by the BRLM in this case being Enam Securities Pvt Limited

<b>Term</b>	<b>Description</b>
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) to the Bidder as proof of registration of the Bid on the online system of BSE/NSE
Underwriters	The BRLM and the Syndicate Member(s)
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

#### **COMPANY/ INDUSTRY-RELATED TERMS**

<b>Term</b>	<b>Description</b>
Articles/ Articles of Association	The Articles of Association of Simplex Projects Limited
Auditors	The Statutory Auditors of our Company namely M/s. Chaturvedi & Company, Chartered Accountants.
Board / Board of Directors	Board of Directors of Simplex Projects Limited unless otherwise specified.
Memorandum/ Memorandum of Association	The Memorandum of Association of Simplex Projects Limited
Project	The objects of the Issue are to raise capital for part financing the funds required for Augment Long Term Working Capital Requirement; Acquire Plant & Machineries, Investment in Subsidiary, Meeting the Public Issue Expenses and General Corporate Purposes.
Registered Office of our Company	12/1, Nellie Sengupta Sarani, Kolkata – 700087
RoC	Registrar of Companies, West Bengal at Kolkata unless otherwise specified.

#### **ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
A.Y./ AY	Assessment Year
A/c	Account
AGM	Annual General Meeting of our Company
AS	Accounting Standards
BPCL	Bharat Petroleum Corporation Limited
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
DCA	Department of Company Affairs
CGEWHO	Central Government Employees Welfare Housing Organisation
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
F.Y. / FY / Fiscal / Financial Year	Period of Twelve Months ending on March 31 of the respective year
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations framed there under.
FEMR	Foreign Exchange Management Regulations, 2000
FI	Financial Institution
FIIs	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI as required under FEMA (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 and under other applicable

	laws in India.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
FVCI	Foreign Venture Capital Investor registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GIR Number	General Index Register Number
I.T. Act	The Income Tax Act, 1961
IPO	Initial Public Offer
ISO	International Standards Organization
KVA	Kilo Volt Ampere
KW	Kilo Watt
KRAs	Key Result Areas
L/C	Letter of Credit
MAT	Minimum Alternate Tax
MF	Mutual Fund
MW	Mega Watt
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NRI	Non Resident Indian
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBIT	Profit Before Interest and Tax
PBT	Profit Before Tax
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SEBI	The Securities and Exchange Board of India
SSI	Small Scale Industry
TAN	Tax Deduction Account Number
TNW	Total Net Worth
TRS	Transaction Receipt Slip
USD	United States Dollar
VAT	Value Added Tax
WDV	Written Down Value
w.e.f.	With effect from

## **SECTION II – GENERAL**

### **CERTAIN CONVENTIONS; USE OF MARKET DATA**

In this Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Simplex Projects Limited”, unless the context otherwise indicates or implies, refers to Simplex Projects Limited. In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac/Lakh” means “one hundred thousand”, the word “million (million)” means “ten lac/lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. Throughout this Red Herring Prospectus, all figures have been expressed in Lacs.

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. Unless indicated otherwise, the operational data in this Red Herring Prospectus is presented on an unconsolidated basis and refers to the operations of our Company. 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 financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. 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.

For additional definitions used in this Red Herring Prospectus, see the section Definitions and Abbreviations on page 1 of this Red Herring Prospectus. In the section entitled “Main Provisions of Articles of Association”, defined terms have the meaning given to such terms in the Articles of Association of our Company.

#### **Market Data**

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



## FORWARD LOOKING STATEMENTS

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 and national economies;
- Changes in laws and regulations relating to the industries in which we operate;
- Increased competition in these industries;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to the sections titled “Risk Factors” “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of the Operations as Reflected in the Financial Statements” beginning on pages 8, 75 and 178 of this Red Herring Prospectus respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

## SECTION III – RISK FACTORS

*Investment in our Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, financial condition and results of operations could suffer; the trading price of our Equity Shares could decline and you may lose all or a part of your investment.*

### Materiality

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

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

Note: 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 risks mentioned herein under:

### PROJECT RELATED RISK

1. **We have not obtained any third party appraisals for our Project and our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, which are based on quotations received by us. Quotations may undergo a change which may result in increase in project cost and hence requirement of fund, which could result in delay in implementation of project.**

Our project has not been appraised by any bank or financial institution. Since there is no third party appraisal of project, our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, which are based on quotations received by us. Quotations may undergo a change which may result in increase in project cost and hence requirement of fund, which could result in delay in implementation of project.

2. **Our Company will be investing part of the Issue Proceeds in equity shares of its wholly owned subsidiary aggregating Rs. 600 Lacs. This investment in subsidiary amounts to about 10.81% of the issue proceeds at upper end of the price band. Our Company is not assured of any dividends pursuant to such investment in equity shares of this subsidiary.**
3. **We have not yet placed orders for plant & machinery required to set up our proposed Project, which exposes us to change in prices at the time of giving orders.**

We are yet to place orders for purchase of Plant & Machineries i.e. for Rs. 1,387.76 Lacs (100% of plant and Machinery cost) detailed in “Objects of the Issue” on page 40 of Red Herring Prospectus. Negotiations in respect of technical specifications with vendors have been commenced and orders will be placed once the negotiations are completed. Any increase in prices of these equipments may adversely affect us.

4. **Significant portion of Net proceeds of the Issue will be utilized for the working capital, on which no asset will be created. This could result in lower networth to asset ratio.**

Total tangible assets that would be created is Rs. 1494.20 Lacs. The total tangible asset creation will be approximately 26% of the issue proceeds at the upper end of the price band. Out of our issue proceeds we will be using Rs. 3,554.54 Lacs to augment additional long term working capital requirements, i.e. not for creating any fixed assets. This additional long term working capital requirement will form significant part of our issue proceeds (approximately more than 64% of the issue proceeds at the upper end of the price band). Working capital is required to finance the purchase of materials, the hiring of equipment and the performance of engineering, construction and other work on projects before payments are received from clients.

**5. There is delay in Schedule of Implementation and there is increase in Net Working Capital requirement by our Company**

As per DRHP filed by our Company on February 5, 2007 we have given schedule of Implementation to be complete by August 2007 for the procurement of plant and machinery by our Company. Due to delay in launch of our Public Issue our implementation is likely to complete by November 2007. There has been changes the net working requirement of Rs. 3457.66 lacs as estimated in DRHP to Rs. 3554.45 lacs in the RHP.

**A) INTERNAL RISK FACTORS**

**6. Qualifications in the audit report.**

There are qualifications in the “Auditors Report” included in this Red Herring Prospectus, the details of which are as under:

- (I) Our Company follows accrual basis of accounting, except interest on fixed deposits with Banks, National Saving Certificates and Kisan Vikas Patra, which are accounted for on cash basis.

In order to comply with the Accounting Standard – AS-9 on “Revenue Recognition” our Company has switched over the method of recognition of interest on fixed deposits with banks from the earlier method of “cash basis” to “accrual basis” with effect from 1<sup>st</sup> April, 2001. The resultant impact on the Profit and Loss account has been reworked in the respective years as stated in the Profit and Loss account as given in para c of notes 2.1 of annexure III.

- (II) As regard the Contract expenses for executing work it has not been possible for our Company to bifurcate the expenses into different heads of account as per Part II of the Schedule VI of the Companies Act, 1956.

Since, there is no quantifiable effect, no adjustments in the 'Statement of Restated Assets and Liabilities' and 'Statement of Restated Profit and Loss account' have been made.

**7. We are involved in certain legal and other proceedings, which if determined against us may have material adverse effect on our business.**

We are involved in certain legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various authorities. We cannot assure that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business and results of operations. A summary of such cases is given below:

Sr. No.	Nature of Case	No. of Cases	Amount Involved
1.	Income Tax Cases	4	Rs. 5,61,968
2.	Civil Court Cases	7	Claims by our Company Rs. 18,45,95,430.79 Claims against our Company Rs. 11,27,704 One Case is not quantifiable
3.	Case under the Workmen's Compensation Act, 1923:	1	Not quantifiable
4.	Excise and Service Tax	1	Rs. 5,31,24,001/-
5.	Custom Cases	2	Rs. 23,88,475
6.	<b>Litigation relating to the Subsidiary Company</b> (Civil Case)	1	Rs. 20,55,089

For details on these litigation cases please refer to the section “Legal and other regulatory information” on page 187 of this Red Herring Prospectus.

- 8. We have applied for the following approvals and licenses, which we have not yet received, Non receipt of any of these approval in time could have material impact on our our business:**

<b>Sr. No.</b>	<b>Concerned Authority</b>	<b>Approval/Consent</b>	<b>Status</b>
1	The Kolkata Municipal Corporation	Trade License	Request for trade licence validity certificate made on 19 <sup>th</sup> June 2007
2	Assistant Labour Commissioner, Barasat, West Bengal	Certificate of Labour License for Construction of Piling work of Phase 3A of IT Park at Rajarhut, Kolkata	Applied on May 29, 2007
3	Assistant Labour Commissioner, Barasat, West Bengal	Certificate of Labour License for Construction of Piling work of Phase 5 of IT Park at Rajarhut, Kolkata	Applied on June 22, 2007

If we fail to obtain any or all of the above approvals in time our business operations may be adversely affected.

- 9. A significant part of our business transactions are with governmental or government-funded entities or agencies and any change in government policies or focus may affect our business and results of operations.**

Our business is dependent on infrastructure projects undertaken by governmental authorities and other entities funded by governments or international and multilateral development finance institutions. Contracts awarded by central, state and local governmental authorities accounted for more than 65% of our order book as of 1<sup>st</sup> June 2007. If there is any change in the government or in governmental policies, practices or focus that results in a slowdown in infrastructure projects, our business and results of operations may be adversely affected.

Further one of the standard conditions in contracts typically awarded by governments or government-backed entities is that the government or Government backed entity, as the client, has the right to terminate the contract for convenience, without any reason, at any time after providing us with notice that may vary from a period of 30 to 90 days. In the event that a contract is so terminated, our results of operations may be adversely affected.

- 10. Our construction contracts are dependent on adequate and timely supply of key raw materials such as steel and cement at commercially acceptable prices. If we are unable to procure the requisite quantities of raw materials in time and at commercially acceptable prices, the performance of our business and results of operations may be adversely affected.**

Timely and cost effective execution of our projects is dependant on the adequate and timely supply of key raw materials, which includes Cement, Steel and other construction materials. We have not entered into any long-term supply contracts with our suppliers. Additionally, we typically use third-party transportation providers for the supply of most of our raw materials. Further, transportation costs have been steadily increasing, and the prices of raw materials themselves can fluctuate. If we are unable to procure the requisite quantities of raw materials in time and at commercially acceptable prices, the performance of our business and results of operations may be adversely affected.

- 11. We have high working capital requirements. If we experience insufficient cash flows to fund our working capital requirements, there may be an adverse effect on our results of operations.**

Our business is working capital intensive. Our working capital requirement for F.Y. 2007 was Rs. **4,693.93** Lacs as against the income of Rs. 13624.26 Lacs. Working capital is required to finance the purchase of materials, the hiring of equipment and the performance of engineering, construction and other work on projects before payments are received from clients. Our working capital requirements may increase and if we experience insufficient cash flows to fund our working capital requirements, there may be an adverse effect on our results of operations.

- 12. Delays associated with the collection of receivables from our clients may adversely affect our business and results of our operations.**

There may be delays associated with the collection of receivables from our clients, including government owned, controlled or funded entities and related parties. As of 31<sup>st</sup> March 2007, Rs. 1195.54 Lacs or 23.55%, of

our accounts receivable were outstanding for a period of more than six months. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned, controlled or funded entities. These factors may have adverse impact on our operations

**13. Given the long-term nature of the projects we undertake, we face various kinds of implementation risks.**

Most infrastructure construction projects we undertake involve agreements that are long-term in nature. Long term duration projects are projects with more than one year duration. Average duration of most of the Infrastructure Projects we undertake range between 2 and 3 years. This long term agreements have inherent risks associated with them that may not necessarily be within our control and accordingly our exposure to a variety of implementation and other risks, including construction delays, material shortages, unanticipated cost increases, cost overruns, etc.

**14. Our Company is availing tax benefits, which may not be available to us in the future. This may result in increased tax liabilities and reduced profit margins.**

Currently we have claimed certain tax credits under Section 80 IA of the I. T. Act, are available to all projects relating to infrastructure development; which results in reduced tax rate, compared to the statutory tax rates. There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations. The Government has recently introduced a fringe benefit tax payable in connection with certain expenditures incurred by us, which is likely to increase our tax liability.

**15. 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, revenues and earnings.**

Our current order book position is more than Rs. 29,000 lacs (for details of major orders in hand and completed orders please refer section titled “Our Business” beginning on page no. 75) . The order book does not necessarily indicate future earnings related to the performance of that work. Order book projects represent business that is considered firm, but cancellations or change in scope of work or schedule of implementation may occur . 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 our cash flow position, revenues and earnings.

**16. Any inability to attract, recruit and retain skilled and Key managerial personnel could adversely affect our business and results of operations.**

Our ability to meet future business challenges depends on our ability to attract, recruit and retain skilled and key managerial personnel. We are highly dependent on our senior management, our Directors and other key personnel, including skilled project management personnel. A significant number of our employees are skilled engineers and we face strong competition to recruit and retain skilled and professionally qualified staff. Due to the limited pool of available skilled personnel, competition for senior management and skilled engineers in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our Directors or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business and results of operations.

**17. We could be adversely affected if we fail to keep pace with technical and technological developments in the construction industry.**

Our recent experience indicates that clients are increasingly developing larger, more technically complex projects in the civil construction and infrastructure sector. To meet our clients’ needs, we must regularly update existing technology and acquire or develop new technology for our engineering construction 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 adversely affect our business and financial results

**18. We face significant competition in our business from other engineering construction companies.**

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. We compete against various engineering and construction companies. While many factors affect the client decisions, price is a key deciding factor in most of the tender awards. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

**19. Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations.**

As on 31<sup>st</sup> March 2007, we have availed an aggregate of Rs. 4017.42 Lacs as secured loans from various banks. Most of our loans are secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. In case we are not able to pay our dues in time, the same may adversely impact our result of operations.

The financing arrangements by our Company also include conditions and covenants that require our Company to obtain consents of the lenders prior to carrying out certain activities and entering into certain transactions. Some of such covenants are as under:

- a) Formulate any scheme of amalgamation or reconstruction and effecting any merger or acquisition;
- b) Create any further charge, lien or encumbrance over the asset and properties of our Company charged to the bank in in favour of any other bank, financial institutions, company, firm or persons;
- c) Take up any new projects on large scale expansion or modernization / balancing scheme;
- d) Disposing of whole or substantially the whole of the undertaking;
- e) Making any drastic change in the management set up.
- f) Paying dividend other than out of current year's profit after making all due provisions.

Failure to obtain such consents can have significant consequences on our capacity to expand and it can adversely impact our results of operations.

**20. Our Promoters and Promoter Group will continue to retain majority control in our Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval.**

Upon completion of the Issue, the Promoters will beneficially own approximately 58% of our post-Issue equity share capital. As a result, the Promoters will have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and Directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest.

**21. Our Company have taken a godown/yard at Jalan Industrial Park Dhulagori from Kirti Vinimay Private Limited, one of our promoter and our Registered Office in Kolkata on rent from Datson Exports Limited, our promoter group company.**

Details of Lease/Leave and License Agreements entered into by our Company with our promoters / promoter group companies for property are as follows:

Sr. No.	Party	Agreement Particulars	Description	Agreement Date	Rent/Charges Paid during F.Y. 2007
1.	Kirti Vinimay Private Limited	Facility Agreement	Godown/Yard at Jalan Industrial Park Dhulagori	10 <sup>th</sup> March, 2005	Rs. 90,000

2.	Datson Exports Limited	Leave and License	Registered Office	15 <sup>th</sup> February 2003 and extension letter dated 1 <sup>st</sup> April 2006	Rs. 31,000
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**22. One of our promoter group company, Datson Exports Limited is an existing listed company. It is listed on the U.P. Stock Exchange Limited, Kanpur Stock Exchange and Calcutta Stock Exchange, Kolkata. There is no trading of the scrip at any of the exchanges. However, Datson Exports Limited has not made any right issue or public issue in preceding three years.**

**23. We have issued shares in the last 12 months preceding the date of filing of the Draft Red Herring Prospectus with SEBI, i.e. 5<sup>th</sup> February 2007 at a price that could be lower than the Issue Price. The details of the shares issued in last one year is as given below:**

Sr. No.	Date of Issue	Name of the Persons	No. of Shares	Issue Price (Rs.)	Whether Part of Promoter Group
1	March 31, 2006	Kirti Vinimay Private Limited	1,98,000	50	Yes
2	March 31, 2006	Pioneer Engineering Company Private Limited	1,74,000	50	Yes
3	March 31, 2006	Bharat Gypsum Private Limited	1,91,500	50	Yes
4	March 31, 2006	Simplex Fiscal Holdings Private Limited	12,06,500	50	Yes
5	March 31, 2006	Nikon Commercial Private Limited.	80,000	50	No
6	March 31, 2006	Subhraj Traders Private Limited	1,22,000	50	No
7	March 31, 2006	Dynasty Trexim Private Limited	50,000	50	No
8	March 31, 2006	Pasupati Goods Private Limited	40,000	50	No
9	March 31, 2006	Monolisha Management Private Limited	1,20,000	50	No
10	March 31, 2006	Pravik Developers Private Limited	4,000	50	No
11	March 31, 2006	Eastern Alloy & Engineering Industries Private Limited	14,000	50	No
12	July 6, 2006	Mr. Balkrishandas Mundhra	1,03,757*	Nil	Yes
13	July 6, 2006	Mrs Pushpa Mundhra	23,143*	Nil	Yes
14	July 6, 2006	Mr. Raghav Das Mundhra	25,714*	Nil	Yes
15	July 6, 2006	Mr. Sudarshan Das Mundhra	25,757*	Nil	Yes
16	July 6, 2006	Simplex Fiscal Holdings Private Limited	6,24,214*	Nil	Yes
17	July 6, 2006	Kirti Vinimay Private Limited	1,70,571*	Nil	Yes
18	July 6, 2006	Pioneer Engineering Company Private Limited	1,44,043*	Nil	Yes
19	July 6, 2006	Bharat Gypsum Private Limited	2,07,429*	Nil	Yes
20	July 6, 2006	Datson Exports Limited	45,129*	Nil	Yes
21	July 6, 2006	Mr. Amiya Ranjan Banerjee	43*	Nil	No
22	July 6, 2006	Mr. Sree Lal Lahoti	43*	Nil	No
23	July 6, 2006	Mr. Shree Mohandas Mundhra	30,857*	Nil	No
24	July 6, 2006	Mr. BithalDas Mundhra	56,700*	Nil	No
25	July 6, 2006	Mrs.Prabha Mundhra	23,143*	Nil	No
26	July 6, 2006	Universal Earth Engineering Construction Services Private Limited	6,557*	Nil	No
27	July 6, 2006	Mrs Krishna Devi Mundhra	43*	Nil	No
28	July 6, 2006	Nikon Commercial Private Limited	70,714*	Nil	No
29	July 6, 2006	Top Ten Agent Private Limited	21,429*	Nil	No

30	July 6, 2006	Subhraj Traders Private Limited	52,286*	Nil	No
31	July 6, 2006	Dynasty Trexim Private Limited	21,429*	Nil	No
32	July 6, 2006	Pasupati Goods Private Limited	17,143*	Nil	No
33	July 6, 2006	Monolisha Management Private Limited	51,429*	Nil	No
34	July 6, 2006	Pravik Developers Private Limited	35,570*	Nil	No
35	July 6, 2006	Calcom Consultancy Services Private Limited	38,571*	Nil	No
36	September 23, 2006	Prozen merchants Private Limited	3,50,000	50	Yes
37	January 05, 2007	Prozen merchants Private Limited	12,64,267	50	Yes
38	January 19, 2007	Mrs.Latha Bhanshali	12,00,000	70	No
39	January 19, 2007	Mrs.Urjita Jagdish Master and Jagdish Master	2,00,000	70	No

**24. There has been a negative cash flow during the period ended on 31st March 2007 in the following activities. Substained Negative Cash could impact our growth and Business**

(Rs. in Lacs)

Particulars	31.03.07	31.03.06
Net Cash flow from Operating Activities	-1254.21	-1352.17
Net Cash flow from Investing Activities	-766.39	-398.46

Substained negative Cash Flow could impact our growth and business.

**25. Risks associated with group companies/firms in the similar line of business.**

Following are our Group Concerns which are in similar line of business, which may create conflict of business interest:

Sr. No.	Name of Entity	Nature of Business
1.	Simplex Projects Road And Highway Constructions Private Limited.	General construction, Contractors, builders, engineers, Consultants for construction etc.
2.	Simplex Concrete Piles (Southern India) Private Limited	Manufacturing constructing of any types of piles etc.

**26. We have certain contingent liabilities, which have not been provided for, Crystallisation of any of these contigent liability could affect our financials.**

The Contingent liabilities of our Company not provided for, as certified by our statutory auditors are as under:

(Rs. in Lacs)

Particular	As on 31st March 2007
Bank Guarantee issued by Banks	4601.26
Outstanding LC	87.63
Service Tax	531.24
Customs Duty	23.88
Total	<b>5244.01</b>

In the event any of these contingent liabilities gets crystallized, our financial condition may be adversely affected. For further information please see section titled "Financial Statement" on page 127 of this Red Herring Prospectus



**27. Losses made by group concerns, Any prolonged losses by group Company could result in reduction of reputation of our Company and or loss of business of our company.**

The following group concerns have incurred losses in the past 3 financial years:

(Rs. in Lacs)

Name of the Company	Profit/Loss for the year ended 31 <sup>st</sup> March		
	2004	2005	2006
<b>Companies</b>			
Pioneer Engineering Company Private Limited	1.69	-1.92	9.37
Datson Exports Limited	0.99	-4.32	0.91
Simplex Finance Limited	0.09	-0.24	-0.63
Rasheshwar Engineers & Consultants Private Limited	-4.58	-4.71	-5.16
Mundhra Education Foundation	-0.09	-0.05	-0.05
<b>Partnership Firms</b>			
M/S Safe Builders	-3.41	-2.13	-1.94
M/S. Mundhra Estates	-4.95	-6.80	-1.58
M/S. Govinddas Madhodos Mundhra	-5.29	-2.95	1.83

**28. Our Subsidiary, Simpark Infrastructure Private Limited had made losses in last three year and is having a debt equity ratio of 4.73. Insufficient cash flow could result in default of payment of interest and or principal, which could result in some action by lenders.**

Simpark Infrastructure Private Limited has become our wholly owned subsidiary from Decemeber 2006. The company is in the business of providing automated parking solution which is new concept in India. The company has got a Income of Rs 1875.92 lacs, Rs. 2892.05 lacs , Rs. 2961.05 lacs for Fy 2005, 2006, 2007 respectively and Profit of Rs. -54.41 lacs,-34.59 lacs, Rs. 347.06 Lacs for Fy 2005, 2006, 2007 respectively. the company has outstanding Debt of Rs. 1855.29 lacs on March 31, 2007 and total Share holder fund of Rs. 386.34 resulting in Debt Equity ratio of 4.73. In case the company is not able to generate sufficient cash flow to repay the interest and principal amount, the company may be subject to action by the lenders.

**B) RISKS EXTERNAL TO OUR COMPANY**

Certain factors beyond the control of our Company could have a negative impact on our Company's performance, such as:

**1. Certain factors beyond the control of our Company like civil unrest, droughts, floods, earthquakes, war etc. or any other acts of violence involving India and other countries can adversely affect our Company and financial markets, where the Equity Shares of our Company will be traded**

Certain events are beyond our control such as the tsunami or seismically generated sea waves capable of considerable destruction and terrorist attacks. The other acts of violence or war including civil unrest, military activity and hostilities among countries may adversely affect worldwide financial markets and could lead to economic recession. Any such event could adversely affect our financial performance or the market price of the equity shares.

**2. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase our costs and negatively affect our stock price. These geopolitical social and economic conditions could result in increased volatility in India and worldwide financial markets and economy, and such volatility could constrain our ability to do business, increase our costs and negatively affect our stock price.

**3. The price of our Equity Shares may be highly volatile, or an active trading market for its equity shares may not develop.**

The price of our Equity Shares on the Indian Stock Exchange may fluctuate as a result of several factors including:

- Volatility in Indian and global securities market;
- Our results of operations and performance;
- Performance of our competitors and perception in the Indian market about investment in the construction sector;
- Adverse media reports, if any, on our Company or the Indian Construction industry;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant development in India's economic liberalization and de-regulation policies; and
- Significant development in India's Fiscal and environmental regulations.

There can be no assurance that an active trading market for company's equity shares will develop or be sustained after this Issue or the price at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

**4. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.**

The Book Building Process will determine the Issue Price of our Equity Shares. This price will be based on numerous factors (discussed in the section "Basis for Issue Price" on page 50 of this Red Herring Prospectus) and may not be indicative of the market price for our Equity Shares after the Issue.

The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

Quarterly and other variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues; Changes in revenue or earnings estimates or publication of research reports by analysts; Speculation in the press or investment community; General market conditions; and Domestic and international economic, legal and regulatory factors unrelated to our performance.

**5. Exposure to interest rate fluctuations**

Changes in interest rates could significantly affect our financial condition and results of operations. Most of our borrowings are at floating rates of interest. If the interest rate for our existing or future borrowings increases significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

**Notes to Risk Factors:**

1. The Pre-issue Net Worth of our Company as on 31<sup>st</sup> March 2007 was Rs. 5045.26 Lacs.
2. Issue of 3,000,000 Equity Shares of Rs.10 each for cash at a Price of Rs. [●] per Equity Share, aggregating Rs. Lacs. The Face Value of the Equity Shares is Rs. 10 and the Issue Price is [●] times the Face Value.
3. The Average cost of acquisition of Equity Shares of the promoters is given below:

Sr. No.	Name of our Promoters	Average cost of acquisition of shares (Rs.)
1.	Balkrishandas Mundhra	0.84
2.	Raghav Das Mundhra	2.10
3.	Sudarshan Das Mundhra	2.13
4.	Simplex Fiscal Holdings Private Limited	29.91
5.	Kirti Vinimay Private Limited	18.82

6.	Pioneer Engineer Company Private Limited	21.50
7.	Bharat Gypsum Private Limited	16.35

4. Book Value per Equity Share of our Company as on 31<sup>st</sup> March 2007 was Rs. 56.06.
5. For details on Related Party Transactions refer to the section titled “Related Party Disclosures” beginning on page no. 146 of this Red Herring Prospectus.
6. Investors are free to contact the BRLM, Syndicate Member(s) or Compliance Officer for any complaints / information / clarification pertaining to this Issue.
7. There are loans and advances given to companies in which the directors of our Company are interested. For details refer to the section titled “Related Party Disclosures” beginning on page no. 146 of this Red Herring Prospectus.
8. Investors are advised to refer the paragraph on “Basis for Issue Price” on page no. 50 of this Red Herring Prospectus before making an investment in this Issue.
9. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in consultation with BSE, the Designated Stock Exchange.
10. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Company, Directors, Key Managerial Personnel, Associate Companies or Group Companies.
11. Our Company has issued 1,795,714 Equity Shares of Rs. 10/- each as bonus shares by capitalization of free reserves during the year 2006, details of which are mentioned on page no. 37 in the notes to Capital Structure.

12. The details of sale/ purchase/ financing of shares by Promoters/Directors of our Company/Directors of promoters/Promoters’ Group:

Sr. No.	Category	Name of Person/Company	Nature of Transaction	Date of Transaction	Face Value (Rs.)	Issue / Transfer Price (Rs.)	No. of Shares
1.	Promoter Group	Prozen Merchants Private Limited	Purchase	05-01-2007	10	50	7,80,000

We confirm that these are the only transactions by promoters/directors/directors of promoter/promoter group in the last six month prior to filing the DRHP with SEBI.

13. Other than as disclosed in the ‘Related Party Information’ in this Red Herring Prospectus, the Promoters / directors / key management personnel of our Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits.
14. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Net Issue to Public shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
15. Our Company and the BRLMs will update the Offer Document in accordance with the Companies Act and the SEBI (DIP) Guidelines and our Company and the BRLMs will keep the public informed of any material changes relating to our Company till the listing of our shares and commencement of trading of our shares on the stock exchanges.
16. We confirm that all the legal requirements till the filing of the RHP with RoC have been complied with.

## SECTION IV – INTRODUCTION

### SUMMARY

#### INDUSTRY OVERVIEW

*You should read the following summary together with the risk factors included from page 8 to 17 and more detailed information about us and our financial data included in this Red Herring Prospectus.*

#### Construction Industry

##### Housing:

India continues to face an acute shortage of housing units. Based on the 2001 census, the housing shortage is estimated at 12.7 million units. The prime movers that are leading to volume growth in the housing segment are population growth and urbanisation. There are two key reasons for the poor productivity performance of the sector. The first is the artificial scarcity of land created by various distortions in the land market. The second is the lack of standards for building materials and the poor enforcement of the standards that exist. (Source: [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

##### Highways and Roads:

For a country of India's size, an efficient road network is necessary both for national integration as well as for socio-economic development. The National Highways (NH), with a total length of 65,569 km, serve as the arterial network across the country. The ongoing programme of four-laning the 5,900 km long Golden Quadrilateral (GQ) connecting Delhi, Mumbai, Chennai and Kolkata is nearing completion. The ongoing four-laning of the 7,300 km North-South East-West (NSEW) corridor is to be completed by December 2009. An ambitious National Highway Development Programme (NHDP), involving a total investment of Rs.2,20,000 crore upto 2012, has been established. (Source: [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

##### Railways:

The Indian Railways, with a capital base of about Rs. 55,000 crore, is the principal mode of transportation for carrying bulk freight and long distance passenger traffic. Railways are cost effective and also environment friendly. Yet, capacity and efficiency constraints in the freight segment have, over the years, led to a significant shift from railways to road transport. A renewed focus of the Railway Ministry on efficiency, customer care, and commercial principles is aimed at reversing this trend. The recent turn around in railway operations suggests that Indian Railways are poised for rapid growth in capacity expansion.

(Source: [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

#### Urban Water Supply and Sanitation Sector:

Water supply and sanitation are important basic needs affecting the quality of life and productive efficiency of the people. Provision of these basic services continues to be among the core activities of urban local bodies. The State Governments and Urban Local Bodies are responsible for providing the services through proper planning, implementation, operation and maintenance, and monitoring through the funds available under State Plans, internal resource generation and by taking loans from financial institutions. On the basis of information furnished by the different State Implementing Agencies, 89 per cent of the urban population is reported to have access to water supply and 63 per cent of the urban population access to sewage and sanitation facilities. The data only relate to access, which is different from quantity of water and quality of service. The quality of water and the service provided often fall short of the relevant norms. The Tenth Plan emphasizes provision of these important infrastructure facilities, and 100 per cent coverage of urban population with water supply facilities and 75 per cent of urban population with sewage and sanitation by the end of the Tenth Plan period, i.e. March 31, 2007. The funds required for this purpose is estimated at over Rs. 53,000 crore. (Source: [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

#### Commercial Complexes:

**Hospitality:** To support GDP growth of 6% + p.a., Indian room capacity needs to double in five years. The liberalisation of Indian economy in 1991 and the integration of India into global economy has given impetus to business travelers and tourist travelers. As a result the hotel industry has recorded a healthy growth since 1991.

**Office Property:** Office property market in India is booming. There is great demand for modern office buildings in India. The demand for new office spaces alone has grown from estimated 3.9 million sq ft in 1988 to over 16 million sq ft in 2004-05. Cumulative demand for office space in India between 2005-2008 is estimated to be in excess of 85 million sq ft. This represents an annual growth rate of 14.5 % over the next three years or approx. 20 million sq. ft. per year. Approx 80% of this demand is created by IT & BPO sectors. (Source: [www.ficci.com](http://www.ficci.com))

**Retail:** Retail is considered the world's largest private industry with a total sale of over US \$ 6.6 trillion with close to 12 million outlets. India has the largest retail density in the world. Retail in India is fragmented and organized retail in India is less than 2% of the total retail market. Growth in per capita income, change in house hold income pattern, improved standard of living form key team drivers for growth in retailing. It is estimated that presently additional 46 million sq ft. for malls, multiplexes is being added in India out of which 32 million sq ft is spread over across seven major Indian cities. As many as 45 malls with over 9.5 million sq ft of retail real estate is expected to come up in tier-2 cities like Jaipur, Chandigarh, Ludhiana, Nagpur, Baroda, Surat, Kochi by end of 2007. (Source: [www.ficci.com](http://www.ficci.com))

### **Parking:**

With the rising population of on-road vehicles, parking problem is assuming enormous proportions in urban areas. The parking problem gets aggravated even more in high activity areas like office complexes, commercial areas etc. It is estimated that on an average a vehicle is in motion for only about 5% of the time over the year.

Although consumers may have many choices when it comes to buying a vehicle they usually have few choices for parking the same and the alternatives that exist are often poorly integrated. In fact, poor range of public transport system is one of the key factors propelling dependence on personalized modes of transport - thus increasing the overall parking demand.

An efficient market must provide consumers with a variety of choices from which they can choose the combination of quantity, quality and price that best suits their needs. Consumers must also have accurate information about their choices. Only if consumers have viable choices and accurate information can the decisions they make represent their true preferences. For example, sometimes you may be willing to spend a lot of money for a complete meal at a quality restaurant, but at other times you may prefer to save money by eating at a less expensive restaurant, by ordering just a single dish, or by purchasing food at a store and cooking yourself. Only you, as a consumer, can decide which option best meets your needs in a particular situation. A parking lot at a distance can be priced lower than that besides an existing commercial development. It is up to the consumer to decide what he wants.

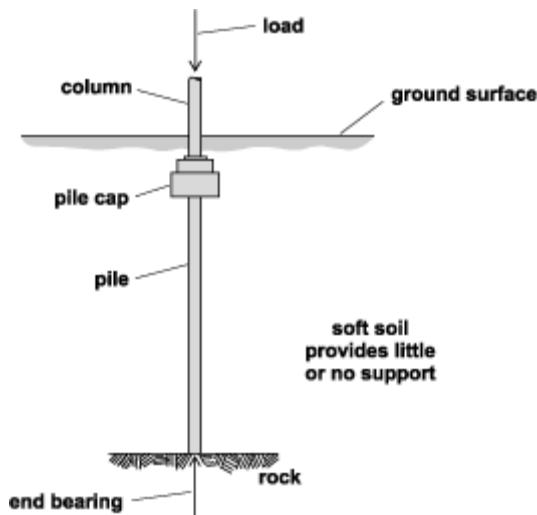
### **Automated Parking Systems**

It may be noted that there are various known parking systems presently under operation all over the world. Each parking system has its own distinct advantages and disadvantages and the onus is on the user to decide which are priorities and accordingly choose the one that suits best. Since each system is self-proprietary knowledge, it is not possible to bring them on par for the purpose of comparison. The price of each system would also vary accordingly with each requirement adding to the cost of the basic system (similar to add-ons while buying cars).

### **Piling:**

Piling is a special type of foundation that enables a structure to be supported on a layer of soil found at any depth below the ground surface. Piles are used when the soil near the ground surface is not strong and the weight of the structure must be carried by deeper soil layers.

A pile foundation comprises two basic structural elements, the pile and the pile cap. A pile cap is a structural base, similar to a spread footing that supports a structural column, wall, or slab, except that it rests on a single pile or group of piles. A pile can be described as a structural shaft hammered into the ground. Each pile carries a portion of the pile cap load and transfers it to the soil in the vicinity of the pile tip, located at the bottom of the pile (see illustration).



## OUR BUSINESS

We are an ISO 9001:2000 certified construction company and we provide integrated engineering, procurement and construction services for civil & Structural construction and infrastructure sector projects. Our Company was incorporated as a public limited company on 31<sup>st</sup> October 1990. The Registered Office of our Company is situated at Kolkata and Project Sites are situated all over India.

Our focus area includes:

- Piling and Foundations
- Civil construction projects, which include structures such as commercial and residential complexes, mass housing projects, townships, industrial structures;
- Transportation engineering projects including bridges, flyovers, underpasses, road projects; and
- Irrigation, Water supply and Sewerage Schemes.
- Installation and operation of Multi Level Car Parking Systems

## Our Subsidiary

Our wholly owned Subsidiary, Simpark Infrastructure Private Limited is engaged in the business of Installation, Development, Operation and Maintenance of Multi-level Automated Car Parking Systems. The business plan focuses attention on the aspect of alleviation of the problems associated with vehicular parking, the alternate technologies which have replaced the conventional modes of parking garages resulting in higher ground area utilization.

## THE ISSUE

Issue of Equity Shares:	30,00,000 Equity Shares of face value of Rs.10/- each aggregating Rs. [●] Lacs
Net Issue to Public:	30,00,000 Equity Shares of face value of Rs.10/- each aggregating to Rs. [●] Lacs
A) Of which the QIB Portion	Not more than 15,00,000 Equity Shares (allocation on proportionate basis)
Of which Available for Allocation to Mutual Funds (5% of QIB Portion):	75,000 Equity Shares (allocation on proportionate basis)
Balance for all QIBs including Mutual Funds:	14,25,000 Equity Shares (allocation on proportionate basis)
B) Non-Institutional Portion	Not less than 4,50,000 Equity Shares (allocation on proportionate basis)
C) Retail Portion	Not less than of 10,50,000 Equity Shares (allocation on proportionate basis)
Equity Shares outstanding prior to the Issue:	89,99,981 Equity Shares
Equity Shares outstanding after the Issue:	1,19,99,981 Equity Shares
Objects of the Issue:	Please see the section titled “Objects of the Issue” on page 40 of this Red Herring Prospectus.

Note: Under-subscription, if any, in any of the categories would be allowed to be met with spillover if any from the other categories.

## SUMMARY FINANCIAL AND OPERATING INFORMATION

The following summary financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the Auditors' Report of M/s. Chaturvedi & Company, Chartered Accountants dated 23<sup>rd</sup> June, 2007 in the section titled "Financial Statements". You should read this financial data in conjunction with our financial statements for each of fiscal 2003,2004,2005,2006 and 2007 including the Notes thereto and the Reports thereon, which appears on page 127 under the paragraph on "Auditors' Report" in this Red Herring Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Restated Financial Statements" on page 178 of this Red Herring Prospectus.

### Statement of Assets & Liabilities (As Restated)

(Rs. in Lacs)						
Sr. No.	Particulars	31.03.03	31.03.04	31.03.05	31.03.06	31.03.07
<b>A</b>	<b>Fixed Assets</b>					
	Gross Block	767.46	1059.88	1475.29	1810.15	2147.99
	Less : Depreciation	170.91	173.78	235.25	316.85	401.39
	Net Block	596.55	886.10	1240.04	1493.30	1746.60
	Capital Work in Progress	18.74	21.12	28.85	49.17	10.23
	<b>Total</b>	<b>615.29</b>	<b>907.22</b>	<b>1,268.89</b>	<b>1,542.47</b>	<b>1756.83</b>
<b>B</b>	<b>Investment</b>	<b>70.44</b>	<b>65.82</b>	<b>65.92</b>	<b>145.92</b>	<b>605.41</b>
<b>C</b>	<b>Current Assets, Loans &amp; Advances</b>					
	Inventories	1001.52	1247.96	1468.67	1735.81	2745.40
	Sundry Debtors	1708.52	2207.39	3005.04	3746.00	5301.98
	Cash and Bank Balances	199.61	432.38	358.72	719.32	595.53
	Loans and Advances	314.72	225.72	260.38	992.95	1946.35
	<b>Total</b>	<b>3224.37</b>	<b>4113.45</b>	<b>5092.81</b>	<b>7194.08</b>	<b>10589.26</b>
<b>D</b>	<b>Liabilities and Provisions</b>					
	Secured Loans	1,290.19	1,590.39	1,988.72	3,146.93	4017.42
	Unsecured Loans	232.67	192.29	422.11	615.92	611.92
	Deferred Payment Liability	86.48	114.25	137.30	211.76	208.18
	Deferred Tax Liability (Net)	110.17	139.67	193.64	193.64	193.64
	Current Liabilities & Provisions	1702.54	2432.86	2765.82	2384.97	2875.08
	<b>Total</b>	<b>3,422.05</b>	<b>4,469.46</b>	<b>5,507.59</b>	<b>6,553.22</b>	<b>7906.24</b>
<b>E</b>	<b>Net Worth (A+B+C-D)</b>	<b>488.05</b>	<b>617.03</b>	<b>920.03</b>	<b>2329.25</b>	<b>5045.26</b>
<b>F</b>	<b>Represented by</b>					
	Equity Share Capital	175.00	175.00	199.00	419.00	900.00
	Preference Share Capital	-	-	-	-	-
	Share Application Money	-	-	-	-	-
	Reserves & Surplus	313.05	442.03	721.03	1910.25	4186.62
	Less : Miscellaneous Expenses ( To the extent not written off)	-	-	-	-	41.36
	<b>Net Worth</b>	<b>488.05</b>	<b>617.03</b>	<b>920.03</b>	<b>2329.25</b>	<b>5045.26</b>



**Statement of Profit & Loss (As Restated)**
**(Rs in Lacs)**

Sr.No.	Particulars	31.03.03	31.03.04	31.03.05	31.03.06	31.03.07
<b>A</b>	<b>Income</b>					
	Work Done	4156.60	6066.54	7114.54	8220.40	13575.71
	Other Income	25.79	19.39	23.72	37.56	48.55
	<b>Total</b>	<b>4182.39</b>	<b>6085.93</b>	<b>7138.26</b>	<b>8257.96</b>	<b>13624.26</b>
<b>B</b>	<b>Expenditure</b>					
	Expenses for Executing Contract work	3604.56	5379.94	6250.79	7055.80	11194.59
	Administrative & Other Expenses	233.13	259.51	264.01	285.72	505.03
	<b>Total</b>	<b>3837.69</b>	<b>5639.45</b>	<b>6514.80</b>	<b>7341.52</b>	<b>11699.62</b>
<b>C</b>	Net Profit before Interest, Depreciation, Tax and Extraordinary items	344.70	446.48	623.46	916.44	1924.64
	Depreciation	33.57	45.15	64.11	82.92	98.25
	Interest & Financial Charges	201.27	229.60	302.62	415.25	640.21
	<b>Profit / Loss before Tax but before Extra – ordinary Items</b>	<b>109.86</b>	<b>171.73</b>	<b>256.73</b>	<b>418.27</b>	<b>1186.18</b>
	Provision for Taxation					
	- Current Tax	27.10	13.25	19.75	34.69	133.33
	- Deferred Tax	15.11	29.50	53.98	-	-
	- Fringe Benefit Tax	-	-	-	2.13	3.64
<b>D</b>	<b>Profit / Loss after Tax but before Extra – ordinary Items</b>	<b>67.65</b>	<b>128.98</b>	<b>183.00</b>	<b>381.45</b>	<b>1049.21</b>
	Extra-ordinary Items	-	-	-	-	-
	(Add)/Less Taxation Adjustment	-	-	-	-	-
	Effect of change in accounting policy on account of deferred tax provisions	-	-	-	-	-
<b>E</b>	<b>Profit/Loss after Extra-ordinary Items</b>	<b>67.65</b>	<b>128.98</b>	<b>183.00</b>	<b>381.45</b>	<b>1049.21</b>
	Add: Balance b/f from last year	199.85	167.50	196.48	179.48	189.27
	<b>Profit available for appropriation</b>	<b>267.50</b>	<b>296.48</b>	<b>379.48</b>	<b>560.93</b>	<b>1238.48</b>
	Proposed Dividend	-	-	-	62.85	67.50
	Tax thereon	-	-	-	8.81	11.47
	Transfer to General Reserve	100.00	100.00	200.00	300.00	1,000.00
	<b>Profit Transferred to B/S</b>	<b>167.50</b>	<b>196.48</b>	<b>179.48</b>	<b>189.27</b>	<b>159.51</b>

## GENERAL INFORMATION

**Registered Office/ Corporate Office:** 12/1, Nellie Sengupta Sarani, Kolkata – 700087.

**Tel.:** +91-33-32923330 **Fax.:** +91-33-22528013

**Website:** [www.simplexprojects.com](http://www.simplexprojects.com); **E-mail:** [ipo@simplexprojects.com](mailto:ipo@simplexprojects.com)

**Contact Person:** Mr. Pradeep Mishra, Senior Vice President (Finance) & Compliance Officer

**Company Registration No.:** 21-050101

**CIN:** U45201WB1990PLC050101

**Registrar of Companies:** RoC West Bengal, Nizam Palace, 2<sup>nd</sup> MSO Building, 234/4, Acharya Jagdish Chandra Bose Road, Kolkata- 700020, West Bengal

### Our Board of Directors

Name	Designation	Status
Mr. Balkrishandas Mundhra	Chairman and Managing Director	Executive
Mr. Raghav Das Mundhra	Director	Executive
Mr. Sudarshan DasMundhra	Director	Executive
Mr. Jai Kishan Bagri	Director	Executive
Mr. Prabir Kumar De	Director	Independent & Non-Executive
Mr. Shyam Das Mundhra	Director	Independent & Non-Executive
Mr. Anand Chopra	Director	Independent & Non-Executive
Mr. Nitindra Nath Som	Director	Independent & Non-Executive

The Brief Profile of our Board of Directors appears on page 101 of this Red Herring Prospectus.

### COMPLIANCE OFFICER,

Mr. Pradeep Mishra,  
Senior Vice President (Finance)  
Simplex Projects Limited,  
12/1, Nellie Sengupta Sarani,  
Kolkata – 700087  
Tel: +91-33-32923330  
Fax: +91-33-22528013  
E-mail: [ipo@simplexprojects.com](mailto:ipo@simplexprojects.com)

### COMPANY SECRETARY

Mr. Binaya Kumar Dash  
Simplex Projects Limited,  
12/1, Nellie Sengupta Sarani,  
Kolkata – 700087  
Tel: +91-33-32923330  
Fax: +91-33-22528013  
E-mail: [ipo@simplexprojects.com](mailto:ipo@simplexprojects.com)

### AUDITORS TO OUR COMPANY

#### Chaturvedi & Company

Chartered Accountants  
60, Bentinck Street,  
Kolkata- 700069  
Tel: +91-33-22375408  
Fax: +91-33-22253692  
E-mail: [chatcol@cal2.vsnl.net.in](mailto:chatcol@cal2.vsnl.net.in)

## **BANKERS TO OUR COMPANY**

### **UTI Bank Limited**

Kolkata Main Branch  
7, Shakespeare Sarani  
Kolkata-700071  
Tel: +91-33-22822933  
Fax: +91-33-22827611  
E-mail: [calcuttaoperationshead@utibank.co.in](mailto:calcuttaoperationshead@utibank.co.in)  
Website: [www.utibank.com](http://www.utibank.com)

### **Bank of Baroda**

India Exchange Branch  
4, India Exchange Place,  
Kolkata-700001  
Tel: +91-33-22206076  
Fax: +91-33-22208775  
E-mail: [indiae@bankofbaroda.com](mailto:indiae@bankofbaroda.com)  
Website: [www.bankofbaroda.com](http://www.bankofbaroda.com)

### **UCO Bank**

New Market Branch  
3&4, Lindsay Street,  
Kolkata-700087  
Tel: +91-33-22499484  
Fax: +91-33-22499477  
E-mail: [uconewmarket@sify.com](mailto:uconewmarket@sify.com)  
Website: [www.ucobank.com](http://www.ucobank.com)

### **Industrial Development Bank of India Limited**

Eastern Zonal Office  
IDBI House 44,  
Shakespeare Sarani,  
Kolkata-700017  
Tel: +91-33-22904432  
Fax: +91-33-22903593  
E-mail: [sk.pie@idbi.co.in](mailto:sk.pie@idbi.co.in)  
Website: [www.idbi.com](http://www.idbi.com)

### **Allahabad Bank**

14, India Exchange Place,  
Kolkata - 700001  
Tel: +91-33-22308508  
Fax: +91-33-22303015  
E-mail: [albcalm@cal.vsnl.net.in](mailto:albcalm@cal.vsnl.net.in)  
Website: [www.allahabadbank.com](http://www.allahabadbank.com)

## **ISSUE MANAGEMENT TEAM**

### **BOOK RUNNING LEAD MANAGER TO THE ISSUE**

#### **UTI Securities Limited**

(A Subsidiary of Securities Trading Corporation of India Limited)  
SEBI Regn. No.: INM000007458  
AMBI Registration No.: AMBI/083  
1st Floor, Dheeraj Arma,

Anant Kanekar Marg, Station Road  
Bandra (East), Mumbai – 400 051.  
Tel: +91-22-67515825  
Fax: +91-22-67023194  
Website: www.utisel.com  
E-mail: simplexipo@utisel.com  
Contact Person: Mr. Rajesh Ranjan

#### **ADVISOR TO THE ISSUE**

##### **Ashika Capital Limited**

SEBI Regn. No.: INM000010536  
1008, Raheja Centre,  
10<sup>th</sup> Floor, 214 Nariman Point,  
Mumbai – 400021  
Tel: +91-22-6611 1700  
Fax: +91-22-6611 1710  
Website: www.ashikagroup.com  
E-mail: mbd@ashikagroup.com  
Contact Person: Mr. Rajendra Kanoongo

#### **REGISTRAR TO THE ISSUE**

##### **Cameo Corporate Services Limited**

SEBI Regn. No.: INR000003763  
“Subramanian Building”,  
No.1, Club House Road,  
Chennai – 600 002.  
Tel: +91-44-28460390  
Fax: +91-44-28460129  
Website: www.cameoindia.com  
E-mail: simplex@cameoindia.com  
Contact Person: Mr. R.D. Ramasamy

#### **LEGAL ADVISOR TO THE ISSUE**

##### **M/s. BOSE & MITRA**

Solicitors & Advocates  
Temple Chambers, 1<sup>st</sup> Floor,  
6, Old Post Office Street,  
Kolkata – 700 001  
Tel.: +91-33-22483138  
Fax: +91-33-22430377  
Contact Person: Mr. Subir Majumdar  
E-mail: bosemitr@cal12.vsnl.net.in

#### **SYNDICATE MEMBER**

ENAM Securities Pvt. Ltd  
SEBI Registration No.: INEB 010468332  
Kattu Bldg, 2<sup>nd</sup> Floor  
44, Bank Street, Fort  
Mumbai -400023.  
TEL: +91-22 22677901  
FAX : 91-22 22665613  
Contact Person: Mr. Ajay Seth

**BANKERS TO THE ISSUE**

<b>ICICI Bank Limited</b> SEBI Registration No :INBI 00000004 Capital Market Division 30, Mumbai Samachar Marg Fort, Mumbai -400 001 Tel: 91-22-2262 7600 Fax: 91-22-2261 1138 Contact person:Mr. Siddhartha Routray Email: Siddhartha.routray@icicibank.com	<b>HDFC Bank Limited</b> SEBI Registration No :INBI 00000063 26A, Narayanan Properties, Chandivali Farm Rd, Saki Naka, Andheri (E), Mumbai- 400 072 Tel:91-22-2856 9228 Fax: 91-22-2856 9256 Contact person: Viral Kothari Email: viral.kothari@hdfcbank.com
<b>Standard Chartered Bank</b> SEBI Registration No :INBI 00000885 270 D. N. Road Fort, Mumbai – 400 001 Tel: 91-22- 22683965 /22092213/22683831 Fax: 91-22- 22096067 – 70 Contact Person: Mr. Rajesh Malwade Email: rajesh.malwade@in.standardchartered.com	<b>UTI Bank Limited</b> SEBI Registration No :INBI00000017 Kolkata Main Branch 7, Shakespeare Sarani Kolkata-700071 Tel: 91-33-22822933 Fax: 91-33-22827611 Contact Person: Mr. Rajesh Malwade E-mail: calcuttaoperationshead@utibank.co.in

**CREDIT RATING**

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

**TRUSTEES**

This being an issue of Equity Shares, appointment of trustees is not required.

**APPRAISING ENTITY**

The Project of our Company is not appraised by any bank or financial institution.

**GRADING OF IPO**

Our Company has not opted for the grading of the present IPO.

**BOOK BUILDING PROCESS**

Book Building refers to the process of collection of Bids, on the basis of the Red Herring Prospectus. The Issue Price is fixed after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

- Our Company;
- Book Running Lead Manager;
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters;
- Registrar to the Issue; and
- Escrow collection Banks

The Primary responsibility of building the book shall be that of the Lead Book Runner.

The Equity Shares are being offered to the public through the 100% Book Building Process in accordance with the SEBI Guidelines wherein: (i) Not more than 50% of the Net Issue shall be allocated on a proportionate basis to QIBs, including up to 5% of the QIB Portion that shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for Allocation on a proportionate basis to all

QIB Bidders, including Mutual Funds; (ii) Not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to the Non-Institutional Bidders and (iii) Not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/ Issue Closing Date. In addition, as per the recent amendments to the SEBI Guidelines, QIBs are required to pay 10% Margin Amount at the time of submission of the Bid cum Application Form during the Bidding Period and allocation to QIBs will be on a proportionate basis. For further details see section titled “Issue Structure” on page 48 of this Red Herring Prospectus.

Our Company shall comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed UTI Securities Limited as the Book Running Lead Manager to manage the Issue and to procure the subscriptions to the Issue.

The process of Book Building under the SEBI Guidelines is subject to change, from time to time. Accordingly, investors are advised to make their own judgment about investment through this process of Book Building prior to making a Bid.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

#### **Illustration of Book Building and Price Discovery Process**

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

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.60 to Rs.72 per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price would be made available at the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) during the bidding period. The illustrative book as set forth below shows the demand for the Equity Shares of our Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs.66 in the above example. Our Company, in consultation with the BRLM will finalize the Issue Price at or below such cut off price, i.e., at or below Rs.66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken for bidding:

1. Check eligibility for bidding (see the section titled “Issue Procedure - Who Can Bid” on page 209 of this Red Herring Prospectus);
2. Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attach copies of your PAN card or PAN allotment letter to the Bid-cum-Application Form (see the section titled “Issue Procedure” on page 210 of this Red Herring Prospectus);
4. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid-cum-Application Form.
5. The Bidder should ensure the correctness of his or her Demographic Details (as defined in the section Issue Procedure-Bidder’s Depository Account Details” on page 219 given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

## **WITHDRAWAL OF THE ISSUE**

We, in consultation with the BRLM, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefore.

## **BID/ISSUE PROGRAMME**

BID/ISSUE OPENS ON : Tuesday July 10, 2007

BID/ISSUE CLOSES ON : Friday July 13, 2007

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) and uploaded till such time as permitted by the BSE and the NSE on the Bid/Issue Closing Date. Bidding will not take place on Saturdays, Sundays and Public Holidays.

We will decide the Price Band in consultation with the BRLM which shall be mentioned the Red Herring Prospectus. The difference between lower price band and higher price band should not be more than the 20% of lower price band. The announcement on the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate.

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the price band can not be more than 20% of the floor of the price band. Subject to compliance of the immediately preceding sentence, the floor of the price band can move up or down to the extent of 20%.

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

## **UNDERWRITING AGREEMENT**

After the determination of the Issue Price and prior to filing of the Prospectus with RoC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through the Issue. It is proposed that 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 Member(s) do not fulfill their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:  
(This portion has been intentionally left blank and will be completed prior to filing of the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees in Lacs)
[•]	[•]	[•]
[•]	[•]	[•]

The above-mentioned amount is indicative underwriting and would be finalized after pricing and actual allocation. The above underwriting is pursuant to the Underwriting Agreement dated [•].

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

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Member(s) shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations laid down in the Underwriting Agreement, will also be

required to procure/subscribe to the extent of the defaulted amount as specified in the Underwriting Agreement. Allotment to QIBs will be on proportionate basis as per the terms of this Red Herring Prospectus.



## CAPITAL STRUCTURE

The share capital of our Company as on the date of filing of this Red Herring Prospectus with SEBI is as set forth below:

No. of Shares		Nominal Value (Rs.)	Aggregate Value (Rs.)
<b>A. Authorised Capital</b>			
1,50,00,000	Equity Shares of Rs. 10/- each	15,00,00,000	15,00,00,000
<b>B. Issued, Subscribed and Paid-Up Capital Before the Issue</b>			
89,99,981	Equity Shares of Rs. 10/- each	8,99,99,810	8,99,99,810
<b>C. Present Issue to Public</b>			
30,00,000	Equity Shares of Rs. 10/- each at a premium of Rs. [•]/- per share	3,00,00,000	[•]
<b>D. Net Issue to Public</b>			
30,00,000	Equity Shares of Rs. 10/- each at a premium of Rs. [•]/- per share	3,00,00,000	[•]
<b>E. Paid-Up Equity Share Capital after the Present Issue</b>			
1,19,99,981	Equity Shares of Rs. 10/- each	1,199,99,810	[•]
<b>F. Share Premium Account</b>			
	Before the Issue		24,86,70,680
	After the issue		[•]

### Notes to Capital Structure:

#### 1. Details of Increase in Authorized Capital

Date of Meeting	Particulars of Increase	Total Authorized Share Capital (Rs.)	Face Value of Equity Shares (Rs.)	AGM / EGM
Incorporation	Rs. 50,00,000	50,00,000	10	-
15-May-1995	From Rs. 50,00,000 to Rs. 1,00,00,000	1,00,00,000	10	EGM
02-Mar-1998	From Rs. 1,00,00,000 to Rs. 1,50,00,000	1,50,00,000	10	EGM
13-Nov-2000	From Rs. 15,00,00,000 to Rs. 1,75,00,000	1,75,00,000	10	EGM
14-Mar-2005	From Rs. 1,75,00,000 to Rs. 2,00,00,000	2,00,00,000	10	EGM
11-Mar-2006	From Rs. 20,00,00,000 to Rs. 110,00,00,000	11,00,00,000	10	EGM
10-Jun-2006	From Rs. 11,00,00,000 to Rs. 12,00,00,000	12,00,00,000	10	EGM
15-Dec-2006	From Rs. 12,00,00,000 to Rs. 15,00,00,000	15,00,00,000	10	EGM

**2. Capital Build-up: Our existing Equity Share capital has been subscribed and allotted as under:**

Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value (Rs.)*	Issue Price (Rs.)	Consideration	Remarks	Cumulative Paid-up Capital (Rs.)	Cumulative Share Premium (Rs.)
November 01,1990	700	10	10	Cash	Subscribers to the MoA	7,000	-
September 11,1992	12,000	10	10	Cash	Further Allotment	1,27,000	-
October 08,1992	1,500	10	10	Cash	Further Allotment	1,42,000	-
March 13,1993	6,000	10	10	Cash	Further Allotment	2,02,000	-
January 05,1994	15,000	10	10	Cash	Further Allotment	3,52,000	-
January 06,1994	15,000	10	10	Cash	Further Allotment	5,02,000	-
January 07,1994	15,000	10	10	Cash	Further Allotment	6,52,000	-
January 19,1994	34,800	10	10	Cash	Further Allotment	10,00,000	-
June 03,1995	9,00,000	10	10	other than Cash	Pursuant to scheme of amalgamation with Soil & Foundation Engineers (P) Ltd.	1,00,00,000	-
March 31, 1998	5,00,000	10	10	Cash	Further Allotment	1,50,00,000	-
March 31, 2001	2,50,000	10	20	Cash	Further Allotment	1,75,00,000	25,00,000
March 31, 2005	2,40,000	10	50	Cash	Further Allotment	1,99,00,000	1,21,00,000
March 31, 2006	22,00,000	10	50	Cash	Further Allotment	4,19,00,000	10,01,00,000
July 06,2006	17,95,714	10	Nil	Bonus	Issue of Bonus Equity Shares	5,98,57,140	10,01,00,000
September 23,2006	3,50,000	10	50	Cash	Further Allotment	6,33,57,140	11,41,00,000
January 05,2007	12,64,267	10	50	Cash	Further Allotment	7,59,99,810	16,46,70,680
January 19,2007	14,00,000	10	70	Cash	Further Allotment	8,99,99,810	24,86,70,680

3. Except as mentioned in the table above, we have not issued any shares for consideration, other than cash.

**4. Promoters' Contribution and Lock-in details in respect of Promoters, whose names figure in the Red Herring Prospectus as Promoters in the paragraph on "Promoters and their Background" are as under:**

**a. Capital built up of the promoters is detailed below:**

Sr. No.	Name of Promoter	Date of Allotment / Transfer and made fully paid	Consideration/ Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value (Rs.)	Issue Price / Transfer Price (Rs.)	% Of Post Issue Paid Up capital	Lock In Period (No of Years)
1.	Mr. Balkrishandas Mundhra	01.11.1990	Cash (Initial Subscription)	3	10	10	Negligible	1 Year
				97	10	10	0.0008%	3 Years
		03.06.1995	Consideration other than cash (pursuant to Amalgamation)	1,62,000	10	NIL	1.35%	3 Years
		29.11.2005	Cash (transfer)	50,000	10	4	0.42%	3 Years
		29.11.2005	Cash (transfer)	30,000	10	3	0.25%	3 Years

Sr. No.	Name of Promoter	Date of Allotment / Transfer and made fully paid	Consideration/ Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value (Rs.)	Issue Price / Transfer Price (Rs.)	% Of Post Issue Paid Up capital	Lock In Period (No of Years)
		06.07. 2006	Bonus	1,03,757	10	NIL	0.86%	3 Years
		<b>Total (A)</b>		<b>3,45,857</b>			<b>2.88%</b>	
2.	Mr. Raghav Das Mundhra	29.11.2005	Cash (transfer)	60,000	10	3	0.50%	3 Years
		06.07. 2006	Bonus	25,714	10	Nil	0.21%	3 Years
		<b>Total (B)</b>		<b>85,714</b>			<b>0.71%</b>	
3.	Mr. Sudarshan Das Mundhra	20.09.2005	Cash (transfer)	100	10	25	0.0008	3 Years
		29.11.2005	Cash (transfer)	60,000	10	3	0.50%	3 Years
		06.07. 2006	Bonus	25,757	10	Nil	0.21%	3 Years
		<b>Total (C)</b>		<b>85,857</b>			<b>0.72%</b>	
4.	Simplex Fiscal Holdings Private Limited*	20.09.2004	Cash (transfer)	2,50,000	10	7.60	2.08%	3 Years
		31.03.2006	Cash	12,06,500	10	50	10.05%	1 Year
		06.07. 2006	Bonus	5,17,071	10	Nil	4.31%	1 Year
		06.07. 2006	Bonus	1,07,143	10	Nil	0.89%	3 Years
		<b>Total (D)</b>		<b>20,80,714</b>			<b>17.34%</b>	
5.	Kirti Vinimay Private Limited	16.04.2001	Cash (transfer)	2,00,000	10	4	1.67%	3 Years
		31.03.2006	Cash	1,50,300			1.25%	1 Year
		31.03.2006	Cash	47,700#	10	50	0.40%	3 Years
		06.07.2006	Bonus	1,06,157			0.88%	3 Years
		06.07.2006	Bonus	64,414	10	NIL	0.54%	1 Year
		<b>Total (E)</b>		<b>5,68,571</b>			<b>4.74%</b>	
6.	Pioneer Engineering Company Private Limited	11.10.2002	Cash (transfer)	1,62,100	10	10	1.35%	3 Years
		31.03.2006	Cash	1,74,000#	10	50	1.45%	3 Years
		06.07. 2006	Bonus	1,44,043	10	NIL	1.20%	3 Years
		<b>Total (F)</b>		<b>4,80,143</b>			<b>4.00%</b>	
7.	Bharat Gypsum Private Limited	11.10.2002	Cash(transfer)	2,27,300	10	5	1.89%	3 Years
		11.10.2002	Cash (transfer)	53,200	10	10	0.44%	3 Years
		22.03.2003	Cash (transfer)	12,000	10	5	0.10%	3 Years
		31.03.2006	Cash	1,91,500#	10	50	1.60%	3 years
		06.07.2006	Bonus	2,07,429	10	NIL	1.73%	3 Years
		<b>Total (G)</b>		<b>6,91,429</b>			<b>5.76%</b>	
	<b>Grand Total (A+B+C+D+E+F+G)</b>			<b>43,38,285</b>				

20% of the Post-Issue Paid-up Equity Share Capital, as determined after the book-building process, would be locked-in for a period of three years from the date of allotment and the balance Pre-Issue Paid-up Equity Share Capital would be locked-in for a period of one year from the date of allotment. The lock-in period shall be reckoned from the date of allotment of Equity Shares in the present Issue.

# On these shares the Promoters will bring the differential amount being the difference between higher price band and the issue price of these shares (i.e. Rs. 50 per share), before the opening of the issue.

\*The name of our Promoting Company Vasudha Vanijya Private Limited has been changed to Simplex Fiscal Holdings Private Limited on 5<sup>th</sup> February 2007.

Specific written consents have been received from the above-mentioned promoters to lock – in their shares for a period of 3 years to ensure minimum Promoters' contribution to the extent of 20% of Post-Issue Paid-up Capital.

For the purpose of calculating Promoters contribution, the same has been brought in the specified minimum lot of Rs. 25,000/- per application from individuals and Rs. 1,00,000/- from companies.

The Equity Shares forming part of promoter's contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary.

The details of the shares locked in for three years are given below:

Sr. No.	Name of Promoter	Date of Allotment / Transfer and made fully paid	Consideration/ Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value (Rs.)	Issue Price / Transfer Price (Rs.)	% Of Post Issue Paid Up capital	Lock In Period (No of Years)
1	Mr. Balkrishandas Mundhra		Cash (Initial Subscription)	97	10	10	0.0008%	3 Years
		03.06.1995	Consideration other than cash (pursuant to Amalgamation)	1,62,000	10	NIL	1.35%	3 Years
		29.11.2005	Cash (transfer)	50,000	10	4	0.42%	3 Years
		29.11.2005	Cash (transfer)	30,000	10	3	0.25%	3 Years
		06.07. 2006	Bonus	1,03,757	10	NIL	0.86%	3 Years
		<b>Sub-total</b>		<b>3,45,854</b>			<b>2.88%</b>	
2	Mr. Raghav Das Mundhra	29.11.2005	Cash (transfer)	60,000	10	3	0.50%	3 Years
		06.07. 2006	Bonus	25,714	10	Nil	0.21%	3 Years
		<b>Sub-total</b>		<b>85,714</b>			<b>0.71%</b>	
3	Mr. Sudarshan Das Mundhra	20.09.2005	Cash (transfer)	100	10	25	0.0008	3 Years
		29.11.2005	Cash (transfer)	60,000	10	3	0.50%	3 Years
		06.07. 2006	Bonus	25,757	10	Nil	0.21%	3 Years
		<b>Sub-total</b>		<b>85,857</b>			<b>0.72%</b>	
4	Simplex Fiscal Holdings Private Limited*	20.09.2004	Cash (transfer)	2,50,000	10	7.60	2.08%	3 Years
		06.07. 2006	Bonus	1,07,143	10	Nil	0.89%	3 Years
		<b>Sub-total</b>		<b>3,57,143</b>			<b>2.98%</b>	
5	Kirti Vinimay Private Limited	16.04.2001	Cash (transfer)	2,00,000	10	4	1.67%	3 Years
		31.03.2006	Cash	47,700#	10	50	0.40%	3 Years
		06.07.2006	Bonus	1,06,157	10	Nil	0.88%	3 Years
		<b>Sub-total</b>		<b>3,53,857</b>			<b>2.95%</b>	
6	Pioneer Engineering Company Private Limited	11.10.2002	Cash (transfer)	1,62,100	10	10	1.35%	3 Years
		31.03.2006	Cash	1,74,000#	10	50	1.45%	3 Years
		06.07. 2006	Bonus	1,44,043	10	NIL	1.20%	3 Years
		<b>Sub-total</b>		<b>4,80,143</b>			<b>4.00%</b>	
7	Bharat Gypsum Private Limited	11.10.2002	Cash (transfer)	2,27,300	10	5	1.89%	3 Years
		11.10.2002	Cash (transfer)	53,200	10	10	0.44%	3 Years
		22.03.2003	Cash (transfer)	12,000	10	5	0.10%	3 Years
		31.03.2006	Cash	1,91,500#	10	50	1.60%	3 years
		06.07.2006	Bonus	2,07,429	10	NIL	1.73%	3 Years
		<b>Sub-total</b>		<b>6,91,429</b>			<b>5.76%</b>	
	<b>Total</b>			<b>23,99,997</b>			<b>20.00%</b>	

# On these shares the Promoters will bring the differential amount being the difference between higher price band and the issue price of these shares (i.e. Rs. 50 per share), before the opening of the issue.

\*The name of our Promoting Company Vasudha Vanijya Private Limited has been changed to Simplex Fiscal Holdings Private Limited on 5<sup>th</sup> February 2007.

**b. Capital Built up of persons/companies who form Promoter Group is detailed below:**

Sr. No.	Name of Promoters	Date of Allotment / Transfer and made fully paid	Consideration/ Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value (Rs.)	Issue Price / Transfer Price (Rs.)	% of Post Issue Paid Up capital	Lock In Period (No of Years)
1	<b>Mrs. Pushpa Mundhra</b>	03.06.1995	Consideration other than cash(Pursuant to Amalgamation)	54,000	10	Nil	0.45%	
		06.07. 2006	Bonus	23,143	10	Nil	0.19%	
		<b>Total</b>		<b>77,143</b>			<b>0.64%</b>	<b>1 Year</b>
2	<b>Mrs. Krishna Devi Mundhra</b>	31.01.2000	Transmission	100	10	Nil	Negligible	
		06.07.2006	Bonus	43	10	Nil	Negligible	
		<b>Total</b>		<b>143</b>			Negligible	<b>1 Year</b>
3	<b>Datson Exports Limited</b>	11.10.2002	Cash (transfer)	1,05,300	10	10	0.88%	
		06.07.2006	Bonus	45,129	10	Nil	0.38%	
		<b>Total</b>		<b>1,50,429</b>			<b>1.25%</b>	<b>1 Year</b>
4	<b>Prozen Merchants Pvt. Limited</b>	23.09.2006	Acquisition by way of preferential allotment of shares	3,50,000	10	50	2.92%	
		05.01.2007	Cash (Allotment)	12,64,267	10	50	10.54%	
		05.01.2007	Cash (transfer)	7,80,000	10	50	6.50%	
		<b>Total</b>		<b>23,94,267</b>			<b>19.95%</b>	<b>1 Year</b>

5. In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters prior to the issue may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

The Equity Shares to be held by the Promoters under lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, in terms of clause of 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by Promoters, which are locked in, may be transferred to and amongst the Promoter/Promoter Group or to a new promoter or persons in control of our Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable. The Promoters may pledge their Equity Shares with banks or financial institutions as additional security for loans whenever availed by them from banks or financial institutions, provided pledge of securities is one of the conditions for the grant of loan.

6. The details of sale/ purchase/ financing of shares by Promoters/Directors of our Company/Directors of promoters/Promoters' Group:

Sr. No.	Category	Name of Person/Company	Nature of Transaction	Date of Transaction	Face Value (Rs.)	Issue / Transfer Price(Rs.)	No. of Shares
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1.	Promoter Group	Prozen Merchants Private Limited	Purchase	05-01-2007	10	50	7,80,000
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**7. Shareholding Pattern of our Company before and after the Issue is as under:**

Category	Pre-Issue		Post-Issue	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Promoter Group:</b>				
Promoter	43,38,285	48.20	43,38,285	36.15
Promoter's Group	26,21,982	29.13	26,21,982	21.85
<b>Others</b>	20,39,714	22.67	20,39,714	17.00
<b>Public Issue</b>	-	-	30,00,000	25.00
<b>Total</b>	<b>89,99,981</b>	<b>100</b>	<b>1,19,99,981</b>	<b>100</b>

**8. Particulars of top 10 shareholders:**

a. As on the date of filing this Red Herring Prospectus with RoC are as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of Total Pre-Issue Share Capital
1	Prozen Merchants Private Limited	23,94,267	26.60%
2	Simplex Fiscal Holdings Private Limited	20,80,714	23.12%
3	Mrs. Lata Bhanshali	12,00,000	13.33%
4	Bharat Gypsum Private Limited	6,91,429	7.68%
5	Kirti Vinimay Private Limited	5,68,571	6.32%
6	Pioneer Engineering Company Private Limited	4,80,143	5.33%
7	Mr. Balkrishandas Mundhra	3,45,857	3.84%
8	Mrs. Urjita Jagdish Master and Mr. Jagdish Master	2,00,000	2.22%
9	Pravik Developers Private Limited	1,89,571	2.11%
10	Mr. Bithal Das Mundhra	1,89,000	2.10%
	<b>Total</b>	<b>8,339,552</b>	<b>92.66%</b>

b. As on the date of filing this Red Herring Prospectus with RoC are as follows:

Sr.No.	Name of Shareholder	No. of Equity Shares	% of Total Pre-Issue Share Capital
1	Prozen Merchants Private Limited	23,94,267	26.60%
2	Simplex Fiscal Holdings Private Limited	20,80,714	23.12%
3	Mrs. Lata Bhanshali	12,00,000	13.33%
4	Bharat Gypsum Private Limited	6,91,429	7.68%
5	Kirti Vinimay Private Limited	5,68,571	6.32%
6	Pioneer Engineering Company Private Limited	4,80,143	5.33%
7	Mr. Balkrishandas Mundhra	3,45,857	3.84%
8	Mrs. Urjita Jagdish Master and Mr. Jagdish Master	2,00,000	2.22%
9	Pravik Developers Private Limited	1,89,571	2.11%
10	Mr. Bithal Das Mundhra	1,89,000	2.10%

	<b>Total</b>	<b>83,39,552</b>	<b>92.66%</b>
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c. 2 years prior to the date of filing this Red Herring Prospectus with RoC are as follows:

<b>Sr. No.</b>	<b>Name of shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Total Pre-Issue Share Capital</b>
1	Bharat Gypsum Private Limited	2,92,500	3.25%
2	Simplex Fiscal Holdings Private Limited	2,50,000	2.78%
3	Kirti Vinimay Private Limited	2,00,000	2.22%
4	Mr. Balkrishandas Mundhra	1,62,100	1.80%
5	Pioneer Engineering Company Private Limited	1,62,100	1.80%
6	Mr. Shree Mohan Das Mundhra	1,62,000	1.80%
7	Mr. Bithal Das Mundhra	1,32,300	1.47%
8	Datson Exports Limited	1,05,300	1.17%
9	Mrs. Pushpa Mundhra	54,000	0.60%
10	Mrs. Prabha Mundhra	54,000	0.60%
	<b>Total</b>	<b>15,74,300</b>	<b>17.49%</b>

#### 9. Details of capitalization of reserves by our Company in the past

Company has capitalized its free reserves by way of issuing bonus shares as stated below:

<b>Date of Allotment</b>	<b>Number of Equity Shares</b>	<b>Face Value Per Share (In Rs.)</b>	<b>Ratio</b>
06.07.2006	17,95,714	10	3:7

We further confirm that no shares have been issued out of revaluation reserves in the past.

#### 10. Our Company has made the issue of Equity Shares during preceding one year, details of which are mentioned hereunder:

<b>Sr. No.</b>	<b>Date of Issue</b>	<b>Name of the Persons</b>	<b>No. of Shares</b>	<b>Issue Price (Rs.)</b>	<b>Whether Part of Promoter Group</b>
1	March 31, 2006	Kirti Vinimay Private Limited	1,98,000	50	Yes
2	March 31, 2006	Pioneer Engineering Company Private Limited	1,74,000	50	Yes
3	March 31, 2006	Bharat Gypsum Private Limited	1,91,500	50	Yes
4	March 31, 2006	Simplex Fiscal Holdings Private Limited	12,06,500	50	Yes
5	March 31, 2006	Nikon Commercial Private Limited.	80,000	50	No
6	March 31, 2006	Subhraj Traders Private Limited	1,22,000	50	No
7	March 31, 2006	Dynasty Trexim Private Limited	50,000	50	No
8	March 31, 2006	Pasupati Goods Private Limited	40,000	50	No
9	March 31, 2006	Monolisha Management Private Limited	1,20,000	50	No
10	March 31, 2006	Pravik Developers Private Limited	4,000	50	No
11	March 31, 2006	Eastern Alloy & Engineering Industries Private Limited	14,000	50	No

12	July 6, 2006	Mr. Balkrishandas Mundhra	1,03,757*	Nil	Yes
13	July 6, 2006	Mrs Pushpa Mundhra	23,143*	Nil	Yes
14	July 6, 2006	Mr. Raghav Das Mundhra	25,714*	Nil	Yes
15	July 6, 2006	Mr. Sudarshan Das Mundhra	25,757*	Nil	Yes
16	July 6, 2006	Simplex Fiscal Holdings Private Limited	6,24,214*	Nil	Yes
17	July 6, 2006	Kirti Vinimay Private Limited	1,70,571*	Nil	Yes
18	July 6, 2006	Pioneer Engineering Company Private Limited	1,44,043*	Nil	Yes
19	July 6, 2006	Bharat Gypsum Private Limited	2,07,429*	Nil	Yes
20	July 6, 2006	Datson Exports Limited	45,129*	Nil	Yes
21	July 6, 2006	Mr. Amiya Ranjan Banerjee	43*	Nil	No
22	July 6, 2006	Mr. Sree Lal Lahoti	43*	Nil	No
23	July 6, 2006	Mr. Shree Mohandas Mundhra	30,857*	Nil	No
24	July 6, 2006	Mr. BithalDas Mundhra	56,700*	Nil	No
25	July 6, 2006	Mrs.Prabha Mundhra	23,143*	Nil	No
26	July 6, 2006	Universal Earth Engineering Construction Services Private Limited	6,557*	Nil	No
27	July 6, 2006	Mrs Krishna Devi Mundhra	43*	Nil	No
28	July 6, 2006	Nikon Commercial Private Limited	70,714*	Nil	No
29	July 6, 2006	Top Ten Agent Private Limited	21,429*	Nil	No
30	July 6, 2006	Subhraj Traders Private Limited	52,286*	Nil	No
31	July 6, 2006	Dynasty Trexim Private Limited	21,429*	Nil	No
32	July 6, 2006	Pasupati Goods Private Limited	17,143*	Nil	No
33	July 6, 2006	Monolisha Management Private Limited	51,429*	Nil	No
34	July 6, 2006	Pravik Developers Private Limited	35,570*	Nil	No
35	July 6, 2006	Calcom Consultancy Services Private Limited	38,571*	Nil	No
36	September 23, 2006	Prozen merchants Private Limited	3,50,000	50	Yes
37	January 05, 2007	Prozen merchants Private Limited	12,64,267	50	Yes
38	January 19, 2007	Mrs.Lata Bhanshali	12,00,000	70	No
39	January 19, 2007	Mrs.Urjita Jagdish Master and Jagdish Master	2,00,000	70	No

\* These shares are issued as bonus shares.

**11.** Our Company, our Promoters, Promoter Group, Directors and the Book Running Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares from any person.

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

**13.** A bidder cannot make a bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

**14.** An over-subscription to the extent of 10% of Net Issue to Public can be retained for the purpose of rounding off to the nearest multiple of 1, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to Public, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.



15. In case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further a 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 Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in the Qualified Institutional Buyers Portion, Non-institutional Portion and Retail Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLM. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders.
16. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures. However in case of any such proposal to make any further issue of share, the same shall be done after passing requisite resolution in AGM/EGM.
17. At any given time, there shall be only one denomination for the Equity shares of our Company and our Company shall comply with such disclosure norms as specified by SEBI from time to time.
18. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares. The shares locked in by the Promoters are not pledged to any party. The Promoters may pledge the Equity Shares only with banks or Financial Institutions, as additional security for loan whenever availed by them from banks/Financial Institutions, provided the pledge of shares is one of the terms of sanction of loan. However, if the securities are locked in as minimum promoters' contribution under clause 4.11.1, the same may be pledged, only if, in addition to fulfilling the requirements of this clause, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue.
19. Since the entire money of Rs. [●]/- per share (Rs. 10/- face value + Rs. [●]/- premium) is being called on application, all the successful applicants will be issued fully paid-up shares. The securities offered through this public issue shall be made fully paid-up or may be forfeited within 12 months from the date of allotment of securities, if not made fully paid-up, in the manner specified in clause 8.6.2 of the SEBI DIP guidelines.
20. The Equity Shares of our Company is fully paid up and there are no partly paid up shares as on date.
21. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our promoters to the persons who receive allotments, if any, in this Issue.
22. We have not revalued our assets since inception, and have not issued any shares out of revaluation reserves.
23. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
24. The securities, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the stock exchanges, where the shares are to be listed, before the listing of the securities.
25. Our Company has 28 members as on the date of filing this Red Herring Prospectus.

## SECTION V – OBJECTS OF THE ISSUE

### OBJECTS OF THE ISSUE

The objects of the Issue are to raise capital for part financing the funds required for:

- Augment Long Term Working Capital Requirement;
- Acquire Plant & Machineries
- Investment in Subsidiary
  - a) For Purchase of Design and Technology for Semi and Fully Automated Multi Level Car Parking Systems.
  - b) For Development of Designs and Setting up of Fabrication Unit.
  - c) For meeting the expenses of Marketing and Promotion of Parking Systems.
- Meeting the Public Issue Expenses
- General Corporate Purposes

The other objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on Stock Exchanges. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The Main Objects clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities we have been carrying out until now is in accordance with the objects clause of our Memorandum of Association.

### COST OF PROJECT AND MEANS OF FINANCE

The Cost of Project and Means of Finance as estimated by our management are given below:

#### Cost of Project

(Rs. in Lacs)		
Sr. No.	Particulars	Amount
1	Augment Long Term Working Capital Requirement	3554.45
2	Acquire Plant & Machinery	1,387.76
3	Investment in Subsidiary	
	a. For Purchase of Design and Technology for Semi and Fully Automated Multi Level Car Parking Systems and purchase of prototype systems.	200.00
	b. For Development of Designs and Setting up of Fabrication Unit	300.00
	c. For meeting the expenses of Marketing and Promotion	100.00
4	Public Issue Expenses	[•]
5	General Corporate Purposes	[•]
	<b>Total</b>	<b>[•]</b>

#### Means of Finance

(Rs. in Lacs)

Particulars	Amount
Proceeds from Initial Public Offer	[•]
Internal Accruals	[•]
<b>Total</b>	<b>[•]</b>

[•] – The relevant figure will be updated on finalization of the issue price.

Proceeds from the Initial Public Offer would be crystallized on finalization of the Issue Price on conclusion of the book building process. Any shortfall in the cost of the project would be met out of internal accruals and/or debt.

In case the IPO does not go as planned, our Company will make alternative arrangements like availing of fresh loans from bank(s) and/or utilizing internal accruals.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization. Our capital expenditure plans are subject to a number of variables, including possible cost overruns; construction/development delays or defects; receipt of critical governmental approvals; availability of working capital finance on acceptable terms; and changes in management's views of the desirability of current plans, among others.

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in any other project and/or our Company's internal accrual, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions. No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or companies promoted by our promoters.

#### **Appraisal**

The project is not appraised by any Bank/Financial Institution/Merchant Banker.

#### **DETAILED BREAK-UP OF COST OF PROJECT:**

##### **1. Augment Additional Long Term Working Capital Requirement**

We have existing banking relationships with sanctioned working capital limits as provided in the section "Financial Information" on page 127 of this Red Herring Prospectus. These limits and our internal accruals are adequate to meet our existing requirements. However, our Company will utilise a part of the proceeds of the Issue to augment its additional long-term working capital requirements. As a matter of practice, we submit the data giving the detailed assessment of working capital on an annual basis to these banks. In this manner we will tie up the annual limits for working capital, including the enhancement if needed to meet further working capital needs, if any arising out of the implementation of the activities on a regular basis. Considering the existing growth rate and the proposed expansion, the total working capital needs of our Company, as assessed based on the internal working of our Company is expected to reach Rs. 8,248.39 Lacs by fiscal 2008 out of which the additional requirement of Rs. 3,554.45 Lacs will be funded through this Public Issue, details of which are mentioned hereunder:

	(Rs. In Lacs)		
	<b>31.03.2006</b>	<b>31.03.2007</b>	<b>31.03.2008</b>
	<b>Audited</b>	<b>Audited</b>	<b>Projected</b>
Raw Materials	498.36	691.26	1,200.00
Work-in-progress	1,237.45	2,054.14	2,700.00
Sundry Debtors	3,007.91	4,649.75	7,200.00
Earnest Money Deposit & Fixed Deposits for Margin Money	433.97	803.49	1,025.00
Other Current Assets	721.78	1,725.34	1,261.78
<b>Total Current Assets</b>	<b>5,899.47</b>	<b>9,923.98</b>	<b>13,386.78</b>
<b>Less: Current Liabilities</b>			
Sundry Creditors	995.03	1,637.39	1,850.00
Other Current Liabilities (Other than Bank Borrowings)	1,088.87	1,547.23	1,188.39

<b>Total Current Liabilities</b>	<b>2,083.90</b>	3,184.62	<b>3,038.39</b>
<b>Total Working Capital Gap</b>	<b>3,815.57</b>	6,739.35	<b>10,348.39</b>
Less: Bank Borrowings	1,724.72	2,045.42	2,100.00
<b>Net Working Capital</b>	<b>2,159.77</b>	<b>4,693.93</b>	<b>8,248.39</b>
<b>Requirement of additional margin</b>			3,554.45 *

**\*Net Working Capital (31.03.07) Less Net Working Capital (31.03.08)**

Assumption in Calculation of Working Capital - Holding Periods in days			
<b>Particulars</b>	<b>31.03.2006</b>	<b>31.03.2007</b>	<b>31.03.2008</b>
	<b>Audited</b>	<b>Audited</b>	<b>Estimated</b>
Raw Materials	51	39	44
Work-in-progress	63	66	51
Sundry Debtors	134	125	117
Sundry Creditors for Materials	64	62	44

## **2. Acquire Plant and Machinery**

Our Company proposes to purchase plant & machinery aggregating Rs. 1,387.76 Lacs comprising imported machinery aggregating Rs. 588.49 Lacs and indigenous Plant & Machinery aggregating Rs. 799.27 Lacs.

### **i. Plant & Machinery - Imported**

Following new Plant & Machinery are proposed to be imported for which orders are yet to be placed:

(Rs. in Lacs)

<b>Particulars</b>	<b>Name of the Supplier</b>	<b>Estimated Total Cost</b>	<b>Date of Quotation</b>
Hydraulic Drilling Rig with Rotary Head and Hammers	PVE Cranes & Services, Krausstraat 14-16, 3364 AD Slidrecht, Holland	588.49*	03.01.07

\*Euros 10,60,335 converted to Indian Rupees @ Rs. 55.50 per Euro.

### **ii. Plant & Machinery - Indigenous**

The following indigenous Plant & Machinery are to be purchased for which orders are yet to be placed:

(Rs. in Lacs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Name of the Supplier</b>	<b>Qty.</b>	<b>Unit</b>	<b>Estimated Total Cost</b>	<b>Date of Quotation</b>
1	Driven Pile Rig Structure Complete Set	B. K. Enterprises, Nilambar Vihar Complex, Block H, Flat 135 and 429, 40 Dum Dum Road, Kolkata – 700 074	5	Set	130.00	02.01.07
2	Self Erecting Piling Rig	Metal Engineering and Treatment Co. Pvt. Ltd., 37/1, Nirmal Chunder Street, 3 <sup>rd</sup> Floor, Kolkata	2	Set	70.16	03.01.07

3	Tripple Drum Pilling Winch for 5 Ton Capacity (W/W)	Sanjoy Engineering Co., Chandmari Road, Bakultala, Howrah - 09	4	Set	22.88	01.01.07
4	Tripple Drum Pilling Winch for 7.5 Ton Capacity (W/W)	Pullman Engineering Co. Pvt. Ltd., 32, Ganesh Chandra Avenue, Kolkata	3	No	39.92	02.01.07
5	Industrial Diesel Engine	G. M. Diesel Corporation, 100/1B, Ashutosh Mukherjee Road, Kolkata	7	No	19.87	03.01.07
6	Wire Ropes of Various Diameters and Accessories	Indian Stores Supplying Co., 137, Biplabi Rash Behari Basu Road, Kolkata			55.43	03.01.07
7	Stetter Concrete Batching Plant 56M <sup>3</sup> / Hour	Schwing Stetter (India) Pvt. Ltd. CL 236, Salt Lake City, Sector II, Kolkata	1	Set	72.58	02.01.07
8	Concrete Transit Mixer	Ajax Fiori Engineering (India) Pvt. Ltd. 148/25, Industrial Suburb, Yeshwanthpur, Bangalore	5	No	47.78	08.12.06
9	Concrete Transit Mixer	Schwing Stetter (India) Pvt. Ltd., CL 236, Salt Lake City, Sector II, Kolkata	1	Set	9.68	02.01.07
10	Chasis & Engine For Concrete Transit Mixture Unit	Shree Automobiles Private Limited 8, Camac Street, Kolkata-17	6	Set	80.76	03.01.07
11	Concrete Pump with Accessories 350D	Schwing Stetter (India) Pvt. Ltd. CL 236, Salt Lake City, Sector II, Kolkata	2	Set	37.26	02.01.07
12	JCB Excavator Loader	Saini Earth Movers, 8/IE, Diamond Harbour Road, Kolkata	1	Set	18.63	03.01.07
13	Tractor -Mounted Cranes	Chowgule And Company Limited, FFB-2, Basant Talkies Complex, Sakchi, Jamshedpur, Jharkhand	1	Set	11.80	20.12.06
14	Mobile Hydraulic Crane	Action Construction Equipment Ltd., Fomra Tower, Room No. 208, 2 <sup>nd</sup> Floor, 84A, A.J.C. Bose Road, Kolkata	1	No	9.92	02.01.07
15	Goods Vehicle (Dumper)	Shree Automobiles Private Limited 8, Camac Street, Kolkata-17	2	Set	22.96	02.01.07
16	DG Set 125 KVA	Western Consolidated Private Ltd., 19, Ganesh Chandra	3	Set	22.83	03.01.07

		Avenue, Kolkata				
17	DG Set 75KVA	Magnum Diesels Pvt. Ltd. 46, B.B. Ganguly Street, Unit – 1, 2 <sup>nd</sup> Floor, Kolkata	3	Set	16.29	03.01.07
18	Welding Generator 400 Amps	Usha Enterprises 83/85, N.S. Road, Kolkata	3	Set	18.07	02.01.07
19	Remote Control Hydraulic Jack 500 Ton and 300 Ton Capacity With Pumping Unit	Oriental Trading Corporation, 33/1, Netaji Subhas Road, Marshall House, Kolkata	4	Set	6.27	02.01.07
20	M.S.Pipe	Shyam Polymers, Bagree Market, 71 Canning Street, Kolkata	35	M/T.	13.10	02.01.07
21	1.1/2" M.S.Pipe (M) TATA	M Rajkrishna & Co., 3, Bysack Street, Kolkata	10000	Mtr.	13.06	02.01.07
22	Shuttering Plate 1200x500 mm	B. K. Enterprises, Nilambar Vihar Complex, Block H, Flat 135 and 429, 40 Dum Dum Road, Kolkata – 700 074	43500	Kgs	18.55	02.01.07
23	M.S.Fabricated Shuttering Plate	Equipment & Management, 29B, Rabindra Sarani, 3 <sup>rd</sup> Floor, Room No.-3W, Kolkata	48000	Kgs	19.97	03.01.07
	<b>Sub-total</b>				<b>777.77</b>	
	Contingencies, Installation and Transportation				21.50	
	<b>Total</b>				<b>799.27</b>	

## 2. Investment in Subsidiary

Our Company proposes to invest Rs. 600.00 Lacs of the Net Proceeds in its subsidiary, Simpark Infrastructure Private Limited, by way of subscription to the Equity share capital of Simpark Infrastructure Private Limited, for the following:

- a) For Purchase of Design and Technology for Semi Automated Multi Level Car Parking Systems at a cost of Rs. 200.00 Lacs. The cost also includes the prices of prototype Parking Units for the setting up of prototype/model systems at various strategic locations in certain metropolitan cities. Out of the above our Company has already placed orders for design & drawings and supply of models of Semi Automated Multi Level Car Parking Systems at various places in India, aggregating Rs. 106.44 Lacs. These model systems would facilitate Simpark to manufacture the Semi Automated Parking Systems and would also facilitate its prospective clients to have a first hand experience of the Parking Systems.
- b) For Re-development of Designs and Setting up Fabrication Unit.  
Simpark intends to redevelop the designs of the automated and semi-automated parking systems to suite the Indian conditions and user requirements and suitably modify as per the resources available in India. Simpark also intend to set up a Fabrication Unit at Kolkata, to manufacture the automated and semi automated parking systems. The total cost of Re-development of Designs and Setting up of Fabrication Unit is estimated at Rs. 300.00 Lacs.
- c) Simpark intends to deploy Rs. 100.00 Lacs for the purpose of Marketing and Promotion of our semi automated parking systems.

Our Company is not assured of any dividends pursuant to such investment in equity shares of Simpark Infrastructure Private Limited.

#### 4. Public Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1.	Fees of BRLM (including underwriting commission and selling commission)	[•]
2.	Fees of Syndicate Members (including underwriting commission and selling commission)	[•]
3.	Fees of Registrar	[•]
4.	Fees of Legal Advisor	[•]
5.	Fees of Auditors	[•]
6.	Advertisement and Marketing Expenses	[•]
7.	Printing and Stationery, Distribution, Postage, etc.	[•]
8.	Other Charges (Includes Travelling, Local Conveyance, Telecommunication Charges, Legal Expenses, etc.)	[•]
	<b>Total</b>	<b>[•]</b>

#### 5. General Corporate Purposes

Our Company intends to deploy the balance Issue proceeds aggregating Rs. [•] Lacs, towards the general corporate purposes, including but not restricted to construction activity, strategic initiatives, entering into strategic alliances, partnerships, joint ventures and acquisitions, investment in research and technology up-gradation, investment in other segments of the industry, meeting exigencies & contingencies, which our Company in the ordinary course of business may not foresee, purchase of corporate office or any other purposes as approved by our Board of Directors.

#### SCHEDULE OF IMPLEMENTATION

Net Issue proceeds after meeting public issue expenses and deploying funds for long term working capital, acquiring plant and machinery and investing in subsidiary will be utilized for general corporate purposes, as and when required. The Plant & Machinery proposed to be acquired are ready to use and can be put in operation at any of the working sites after the procurement. The schedule related to Placement of Orders and procurement of remaining Plant & Machineries is as under:

Particulars	Schedule
Completion of Placement of Orders	August 2007
Completion of Procurement	November 2007

As regards Investment in Subsidiary, the schedule of implementation by the subsidiary will be as follows:

Particulars	Month of Commencement	Month of Completion
a. For Purchase of Design and Technology for Semi Automated Multi Level Car Parking Systems including purchase of prototype systems.	January 2007 (Started Placing of Orders)	August 2007
b. For Re-development of Designs and Setting up of Fabrication Unit	April 2007 (Already Commenced)	September 2007

#### DEPLOYMENT OF FUNDS IN THE PROJECT

We have already deployed Rs. 45.09 Lacs in the Project till, 22<sup>nd</sup> June, 2007 which has been certified by M/s. Chaturvedi & Company, Chartered Accountants vide their certificate-dated 23<sup>rd</sup> June, 2007, details of which are mentioned hereunder:

<b>Particulars</b>	<b>Amount (Rs. in Lacs)</b>
Public Issue Expenses	45.09
<b>Total</b>	<b>45.09</b>

The above-mentioned deployment has been financed out of the Internal Accruals.

The overall cost of the proposed Project and the proposed year wise break up of deployment of funds are as under:  
(Rs. in Lacs)

<b>Particulars</b>	<b>Already Deployed till 22<sup>nd</sup> June 2007</b>	<b>To be Deployed by March 2008</b>	<b>Total Amount</b>
Augment Long Term Working Capital Requirement	-	3554.45	<b>3554.45</b>
Acquire Plant & Machinery	-	1,387.76	<b>1,387.76</b>
Investment in Subsidiary			
a. For Purchase of Design and Technology for Semi Automated Multi Level Car Parking Systems	-	200.00	<b>200.00</b>
b. For Development of Designs and Setting up of Fabrication Unit	-	300.00	<b>300.00</b>
c. For meeting the expenses of Marketing and Promotion	-	100.00	<b>100.00</b>
Public Issue Expenses	45.09	[•]	[•]
General Corporate Purposes	[•]	[•]	[•]
<b>Total</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

### **Interim Use of Funds**

Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, deposit with banks for necessary duration. GILT edged securities and other 'AAA+' rated interest bearing securities as may be approved by the Board of Directors or a Committee thereof. We also intend to apply part of the proceeds of the issue, pending utilization for the purposes described above, to temporarily reduce our working capital borrowings from banks and financial institutions. Should we utilize the funds towards temporary reduction in utilization of short-term working capital facilities, we undertake that we would ensure consistent and timely availability of the issue proceeds so temporarily deposited in the working capital facilities to timely meet the fund requirement of the project.

### **Monitoring of Issue proceeds**

Our Audit Committee will also monitor the utilization of the Issue proceeds. We will disclose the utilization of the Issue proceeds and purpose of utilization under separate head in our balance sheet for the Fiscal 2008 and provide all the details, if any in relation to all proceeds of the Issue that have not been utilized thereby, also indicating the form in which such unutilized monies have been invested.



## BASIC TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI DIP Guidelines, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other relevant authorities, as in force on the date of the Issue and to the extent applicable.

### Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including the rights in respect of dividends. See the section titled 'Main Provisions of the Articles of Association' on page 235 of this Red Herring Prospectus.

### Mode of Payment of Dividend

The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. Our Company shall pay dividend to its shareholders as per the Provision of the Companies Act, 1956. We shall pay dividends in cash.

### Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Red Herring Prospectus at a price of Rs. [●]/- per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The face value of Equity Shares is Rs. 10/- each and the Issue Price is [●] times the face value. Price band for the Issue would be decided by us in consultation with the BRLM.

### Jurisdiction

The jurisdiction for the purpose of this Issue is with competent courts/authorities in Kolkata, West Bengal.

### Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue amount, including devolvement of underwriters, if any, 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 days, our Company and every director of our Company who is an officer in default, becomes liable to repay the amount with interest as per Section 73 of the Companies Act. If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

ISSUE PROGRAMME	
BID/ ISSUE OPENS ON : TUESDAY JULY 10, 2007	BID/ ISSUE CLOSES ON : FRIDAY JULY 13, 2007

### Withdrawal of the Issue

Our Company in consultation with the BRLM reserves the right not to proceed with the issue any time after the Bid/Issue opening date but before allotment without assigning any reason thereof.

## ISSUE STRUCTURE

Issue of 30,00,000 Equity Shares of Rs.10 each aggregating for a price of Rs. [●] per Equity Share aggregating Rs. [●] Lacs. The net Issue to public is of 30,00,000 Equity Shares. The Issue is being made through the 100% Book Building process. The issue would constitute 25% of the post issue paid up capital of Simplex Projects Limited. Details of the Issue structure are tabulated below:

<b>Particulars</b>	<b>QIBs</b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
Number of Equity Shares*	Not more than 15,00,000 Equity Shares can be allotted to QIBs.	Not less than 4,50,000 Equity Shares shall be available for allocation.	Not less than 10,50,000 Equity Shares shall be available for allocation.
Percentage of Issue Size available for allocation	Not more than 50% of the Net Issue (of which 5% shall be available for allocation for Mutual Funds)* Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net Issue. The unsubscribed portion in this category will be available for allocation to QIBs and Retail Individual Bidders*	Not less than 35% of the Net Issue. The unsubscribed portion in this category will be available for allocation to QIBs and Non Institutional Bidders*
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: (a) Equity Shares shall be allocated on a 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
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs 1,00,000 and in multiples of 30 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs 1,00,000 and in multiples of 30 Equity Shares thereafter.	30 Equity Shares and in multiples of 30 Equity Shares.
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs. 1,00,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share

Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs in accordance with applicable law.	NRI, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, societies and trusts	Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value.
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid-cum-Application Form	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid-cum-Application Form
Margin Amount	At least 10% of the bid amount on bidding.	Full Bid Amount on bidding	Full Bid Amount on bidding

\* Subject to valid bids being received at or above the Issue Price. Not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further, Not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and Not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If the aggregate demand by Mutual Funds is less than 75,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

Under-subscription, if any, in any category would be met with spill over from other categories at our sole discretion, in consultation with the BRLM.

**\*\*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 in the same sequence in which they appear in the Bid-cum-Application Form.**

## 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 offered by way of book building.

**Investors should read the following with the Risk Factors included from page number 8 to 17 and the details about our Company and its financial statements included in this Red Herring Prospectus. The trading price of the equity shares of our Company could decline due to these risks and you may lose all or part of your investments.**

### QUALITATIVE FACTORS

For details of our Qualitative factors please refer the section titled “Our Business” beginning on page 75 of this Red Herring Prospectus.

### QUANTITATIVE FACTORS ON STANDALONE BASIS

<b>1. Adjusted Earning Per Share (EPS)</b>	<b>EPS (Rs.)</b>	<b>Weight</b>
2004-05	5.16	1
2005-06	10.06	2
2006-07	15.47	3
Weighted average EPS	11.95	

<b>2. Price/ Earning Ratio (P/E) in relation to Issue Price of Rs. [·]/- per share</b>	<b>At the lower band of Rs. 170 per share</b>	<b>At the upper band of Rs. 185 per share</b>
(a) Based on 31 <sup>st</sup> March 2007 EPS of Rs. 15.47	10.99	11.96
(b) Based on weighted average EPS of Rs. 11.95	14.23	15.48
Industry P/E *: Industry Construction		
(i) Highest-Mahindra Gesco Limited		173.0
(ii) Lowest- Lok Housing Limited		2.4
(iii) Industry Composite		32.4
(* Source: Capital Market June 04-June 17, 2007)		

<b>3. Return on Net Worth</b>	<b>Percentage</b>	<b>Weight</b>
(b) 2004-05	19.89%	1
(c) 2005-06	16.38%	2
(d) 2006-07	20.80%	3
(e) Weighted Average RONW	19.18%	

<b>4. Minimum Return on Increased Net Worth required to maintain Pre-Issue EPS i.e. Rs. 15.47</b>		
	<b>At the lower band of Rs. 170 per share</b>	<b>At the higher band of Rs. 185 per share</b>
Minimum Required RONW for maintaining above EPS 15.47	18.30	17.52

<b>5. Net Asset Value (NAV) Per Share</b>	<b>At the lower band of Rs. 170 per share</b>	<b>At the higher band of Rs. 185 per share</b>
a) As on 31 <sup>st</sup> March 2007	Rs. 56.06	Rs. 56.06
b) After Issue	Rs. 84.54	Rs. 88.29
c) Issue Price	[●]	[●]

Accounting Ratios of some of the Companies in the same Industry Group:

<b>Name of the Company</b>	<b>EPS (Rs.)</b>	<b>P/E Ratio</b>	<b>RONW%</b>	<b>Book Value (Rs.)</b>
<b>Sector- Construction</b>				
Patel Engineering	18.1	23.4	44.7	120.6
JMC Projects	8.8	30.4	7.2	31.7
Unity Infra	18.0	15.7	35.2	211.0
Tantia Construction Limited	5.3	14.5	57.4	47.7
Subhash Projects Limited	6.8	15.9	29.7	26.1
Era Construction Limited	42.6	8.3	21.1	158.1
MSK Projects Limited	6.5	10.2	13.1	58.8
Simplex Projects Limited	15.47	[●]*	20.80	56.06
<b>( Source: Capital Market June 04-June 17, 2007)</b>				

\* will be determined after book building process.

The Face Value of our Equity Shares is Rs.10/- per share and the Issue Price is 17 times of the Face Value (at the lower end of the Price Band) and 18.5 times of the Face Value (at the higher end of the Price Band).

The BRLM believes that the Issue Price of Rs. [●]/- per share is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors beginning on Page 8 of this Red Herring Prospectus and our financials as set out in the Auditors' Report beginning on page 127 of this Red Herring Prospectus to have a more informed view about the investment proposition. The final Issue Price shall be determined on basis of demand from investors.

The Issue Price of Rs. [●] has been determined by us in consultation with BRLM and on the basis of assessment of market demand for the Equity Shares from the investors by way of book building and is justified on the basis of the above factors.

## STATEMENT OF TAX BENEFITS

The Board of Directors  
Simplex Projects Ltd.  
12/1, Nellie Sengupta Sarani  
Kolkata 700 087

Dear Sirs,

### Re: Opinion on Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to Simplex Projects Limited (the "Company") and its shareholders under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

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

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

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

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

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

For **CHATURVEDI & COMPANY**  
*Chartered Accountants*

Place : Kolkata  
Date : 23<sup>rd</sup> June, 2007

**Nilima Joshi**  
**Partner**  
**(M. No. 52122)**

## **UNDER THE INCOME TAX ACT, 1961 ('the IT Act')**

### **I. BENEFITS AVAILABLE TO THE COMPANY**

1. In accordance with and subject to the conditions specified under Section 80-IA of the IT Act, the Company is eligible for hundred percent deduction of the profits derived from the business of developing and/or operating and/or maintaining the infrastructure facility for ten consecutive years
2. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax.
3. As per the provisions of section 24(a) of the IT Act, Company is eligible for deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out) while computing income from House Property.
4. As per the provisions of section 24(b), where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing Income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or construction.
5. Under section 115 JAA (2A) of the I.T. Act, tax credit shall be allowed in respect of any tax paid under section 115JB of the IT Act (MAT) for any Assessment Year commencing on or after 1st April 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years immediately succeeding the year in which the MAT credit initially arose.

### **II BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS**

1. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from a domestic company is exempt from income tax in the hands of shareholders.
2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
3. Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains (if shares are held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.
4. As per the provisions of Section 112 of the IT Act, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising on transfer of shares in the Company would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. However, if the tax on long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such capital gains are chargeable to tax at a rate of 10 percent (plus applicable surcharge and education cess), at the option of the shareholder.

5. As per the provisions of Section 111A of the IT Act, short-term capital gains arising from sale of an equity share in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
6. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:
  - a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
  - b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income under Section 80C for any assessment year beginning on or after 1 April, 2006.

7. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains [which are not exempt from tax under Section 10(38) of the IT Act] arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
8. As per provisions of Section 88E of the IT Act and subject to conditions specified therein where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company entered into in a recognized stock exchange, i.e., from taxable securities transactions, he shall get deduction equal to the securities transaction tax paid by him in the course of his business. Such deduction is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income.

### **III. BENEFITS AVAILABLE TO MUTUAL FUNDS**

1. As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

### **IV. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS')**

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-O of the IT Act) would be exempt from tax in the hands of the shareholders of the Company.
2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.



3. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains [which are not exempt under section 10(38) of the IT Act] would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:

- c. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- d. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion into money takes place.

- 4. As per the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
- 5. As per the provisions of Section 115AD of the IT Act, income of FIIs arising from securities (other than income by way of dividends referred to in section 115O of the IT Act) would be taxed at concessional rates, as follows:

<b>Nature of income</b>	<b>Rate of tax (%)</b>
Income in respect of securities	20
Long term capital gains	10
Short term capital gains	30
(Other than short term capital gain referred to in Section 111A)	

The above tax rates would be increased by the applicable surcharge and education cess

*The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available to an FII.*

Under section 115AD (1)(ii) of the IT Act, short term capital gains on transfer of securities shall be chargeable @ 30% and 10% (where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax). The above rates are to be increased by applicable surcharge and education cess.

Under section 115AD(1)(iii) of the IT Act, income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess).

- 6. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.
- 7. As per provisions of Section 88E of the IT Act and subject to conditions specified therein, where the total income of a person includes income chargeable under the head “Profits and gains of business or profession” arising from purchase or sale of an equity share in a company entered into in a recognized

stock exchange, i.e., from taxable securities transactions, he shall get deduction equal to the securities transaction tax paid by him in the course of his business. Such deduction is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income.

## **V. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS**

1. As per the provisions of Section 10(23FB) of the IT Act, any income of Venture Capital companies/ Funds (set up to raise funds for investment in venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. Moreover, in light of the provisions of Section 115U of the IT Act, any income derived by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

## **VI. BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)**

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of any company is exempted from the tax.
2. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction of sale has been entered through a recognized stock exchange and such transaction is chargeable to securities transaction tax.
3. In terms of first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:
  - a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
  - b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

5. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. Under Section 111A of the IT Act, short-term capital gains arising from sale of an equity share in the Company would be taxable at a concessional rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
7. As per the provisions of Section 112 of the IT Act, long term gains as computed above (which are not exempt under Section 10(38) of the IT Act) would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).
8. As per provisions of Section 88E of the IT Act and subject to conditions specified therein, where the total income of a person includes income chargeable under the head “Profits and gains of business or profession” arising from purchase or sale of an equity share in a company entered into in a recognized stock exchange, i.e., from taxable securities transactions, he shall get deduction equal to the securities transaction tax paid by him in the course of his business. Such deduction is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income.
9. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non- Resident/ Non-Resident Indian.
10. Where shares of the Company have been subscribed in convertible foreign exchange, Non- Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:
  - Under Section 115E of the IT Act, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a Non-Resident Indian, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.
  - Under Section 115F of the IT Act, long-term capital gains arising to a Non-Resident Indian from transfer of shares of the Company, subscribed in convertible foreign exchange, shall be exempt from income tax, if the entire net consideration is reinvested in specified assets/ saving certificates within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets/ saving certificates are transferred or converted within 3 years from the date of their acquisition.
  - Under Section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.
  - Under Section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter

XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

#### **BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957**

1. Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

#### **BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT**

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

#### **Notes:**

• *The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*

• *The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*

• *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

• *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

• *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2006.*

## SECTION VI – ABOUT US

### INDUSTRY OVERVIEW

**Disclaimer:** Pursuant to the requirements of the SEBI Guidelines, the discussion on the business of Our Company in this Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in the Red Herring Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Red Herring Prospectus is only for the purpose of describing the products. The industry data has been collated from various industry and/or research publications and from information available from the World Wide Web.

#### **The Indian Economy**

India is the second fastest growing economy in the world and has shown a continued GDP growth of over 7% consecutively for the last three years. The Indian economy is growing at fast pace with GDP growth of 8.5%, 7.5% and 8.4% achieved in fiscal year ended March 2004, March 2005 and March 2006 respectively (*Source: Central Statistical Organisation*). As per the RBI's estimate, the full year growth is expected to be 7.5%-8.0% for the current fiscal year. The growth has been widespread across the sectors with both service and industrial sectors registering a growth of over 9 % in fiscal March 2006. Within the industry, while manufacturing growth has accelerated steadily from 7.1% in 2003-04 to 9.0% in 2005-06, construction growth has been in double digits in each of the last three years growing 12.1% this year. The agriculture sector grew at 3.9% YoY, close to the Government's target of 4.0% for the sector. Services registered strong growth of 9.7% as against 9.2% a year ago.

The growth in Indian economy is also fuelling the growth in other sectors. Which in turn is increasing the demand for quality housing, good sanitation facilities, decent roads, comfortable transportation and commercial facilities (restaurants, hotels and entertainment malls, movie theatre etc.). Construction activity is an integral part of a country's infrastructure and industrial development. Construction is a vehicle for the growth of civilization. It builds structures that sustain a nation's economy. In India's national plans construction constitutes 40% to 50% of the capital expenditure on projects in various sectors such as energy, transport, irrigation, communications, defense, the social sector, rural and urban infrastructure, etc. It contributes about 5% to the GNP and is employment intensive. (**Source: V Share, Business Magazine from Inter- Connected Stock Exchange of India Limited**)

#### ***Infrastructure sector pegged to grow at 15 per cent p.a***

Infrastructure development in India has set off in a major way in the last two years and is witnessing impressive growth across various segments. A recent study indicates that India would be merely scratching the surface of the potential infrastructure opportunity with US\$ 191.51 billion of investments committed over the next five years. The sector is estimated to grow at a CAGR of 15 per cent over the next few years. (**Source: V Share, Business Magazine from Inter- Connected Stock Exchange of India Limited**)

#### **Construction sector to be the biggest beneficiary of the infrastructure boom**

In India, construction is the second largest economic activity after agriculture. The investment in construction accounts for nearly 11 per cent of India's Gross Domestic Product (GDP) and nearly 50 per cent of its Gross Fixed Capital Formation (GFCF). It accounts for nearly 65 per cent of the total investment in infrastructure and is expected to be the biggest beneficiary of the surge in infrastructure investment over the next five years. The investment in this segment over the financial year 2005 to 2010 is estimated at US\$ 124.65 billion. (**Source: V Share, Business Magazine from Inter- Connected Stock Exchange of India Limited**)

#### **Key Drivers**

**Change in Policy Framework:** There is a change in the policy framework of the Governments. That has resulted into an ambitious programme involving a shift from a controlled to an open market economy. The Government of India initiated a series of major macroeconomic and structural reforms to promote economic stability and growth.

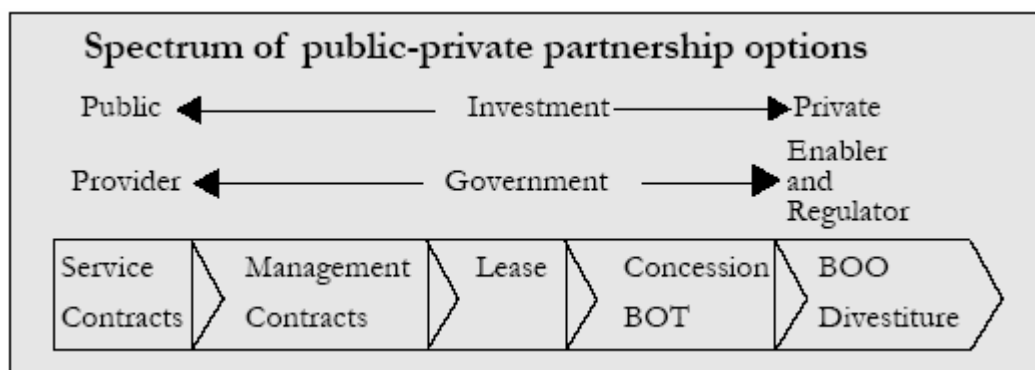
Since 1991, successive Indian Governments have pushed through comprehensive reforms across the policy spectrum in the areas of fiscal and industrial policy, trade and finance. Some of the key reform measures are:

1. Industrial Policy Reforms: Removal of capacity licensing and opening up most sectors to FDI
2. Trade Policy Reforms: Lowering of import tariffs across industries, minimal restrictions on imports, etc
3. Monetary Policy and Financial Sector Reforms: Lowering interest rates, relaxation of restriction on fund movements, private participation in insurance sector.

**Funding from multi-lateral agencies:** Many big Multilateral agencies such as the World Bank and the Asian Development Bank (ADB) are funding various infrastructure projects on a large scale in India. Other agencies and organizations which are funded by these multilateral institutions and various governments (ex- Government of Japan, Government of Singapore) are funding Various projects to support rural roads and sanitation projects.

**Public-Private Partnership Model of Growth:** The term “public-private partnership”. (PPP) describes a spectrum of possible relationships between public and private participants for the cooperative provision of infrastructure services. The only essential ingredient is some degree of private participation in the delivery of traditionally public-domain services.

Through PPPs, the advantages of the private sector -innovation, access to finance, knowledge of technologies, managerial efficiency, and entrepreneurial spirit –are combined with the social responsibility, environmental awareness, and local knowledge of the public sector in an effort to solve problems.



The need for private sector involvement in urban infrastructure development is indisputable in the above context and it has been proven beyond doubt that depending on the option of private participation used it could deliver the required benefits in urban infrastructure projects. To encourage private sector participation in the sector, the Government has announced several tax breaks for investments.

(Source: [www.kerala.gov.in](http://www.kerala.gov.in))

### Key Growth Areas:

#### Housing:

India continues to face an acute shortage of housing units. Based on the 2001 census, the housing shortage is estimated at 12.7 million units. The prime movers that are leading to volume growth in the housing segment are population growth and urbanisation. There are two key reasons for the poor productivity performance of the sector. The first is the artificial scarcity of land created by various distortions in the land market. The second is the lack of standards for building materials and the poor enforcement of the standards that exist. If the land market barriers are removed and the material standards enforced, the sector will experience dramatic growth. In fact, if these issues were to be addressed and the economy were to grow at 10 per cent a year, the sector would grow at 14 per cent a year and create over 3.2 million jobs over the next 10 years.

(Source: [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

### Participants in India's housing construction industry

**Developers:** Property developers, typically small landowners, start the construction process by commissioning construction work to contractors. Developers devote most of their efforts to procuring land and obtaining building permits, cutting through multiple layers of red tape.

**Contractors:** Main contractors, mostly small registered companies, are responsible for construction work at the site. After receiving the contract from the developer, main contractors typically subcontract all construction work and concentrate on top-level supervision and material procurement.

**Labour subcontractors:** Labour subcontractors, mostly individual, non registered entities, directly procure and engage the labour required at the site.

**Workers:** labour subcontractors who facilitate their migration to cities by providing finance and assuring employment often recruit Workers directly from villages.

### **HIGHWAYS AND ROADS:-**

For a country of India's size, an efficient road network is necessary both for national integration as well as for socio-economic development. The National Highways (NH), with a total length of 65,569 km, serve as the arterial network across the country. The ongoing programme of four-laning the 5,900 km long Golden Quadrilateral (GQ) connecting Delhi, Mumbai, Chennai and Kolkata is nearing completion. The ongoing four-laning of the 7,300 km North-South East-West (NSEW) corridor is to be completed by December 2009. An ambitious National Highway Development Programme (NHDP), involving a total investment of Rs.2,20,000 crore upto 2012, has been established. The main elements of the programme are as follows:

#### **Four-laning of the Golden Quadrilateral and NS-EW Corridors (NHDP I & II)**

The NHDP Phase I and Phase II comprise of the Golden Quadrilateral (GQ) linking the four metropolitan cities in India i.e. Delhi-Mumbai-Chennai-Kolkata, the North-South corridor connecting Srinagar to Kanyakumari including the Kochi-Salem spur and the East-West Corridor connecting Silchar to Porbandar besides port connectivity and some other projects on National Highways. Four-laning of the Golden Quadrilateral is nearing completion. The contracts for projects forming part of NS-EW corridors are being awarded rapidly for completion by December 2009.

#### **Four-laning of 10,000 kms (NHDP-III)**

The Union Cabinet has approved the four-laning of 10,000 km of high density national highways, through the Build, Operation & Transfer (BOT) mode. The programme consists of stretches of National Highways carrying high volume of traffic, connecting state capitals with the NHDP Phases I and II network and providing connectivity to places of economic, commercial and tourist importance.

#### **Two laning of 20,000 km (NHDP-IV)**

With a view to providing balanced and equitable distribution of the improved/widened highways network throughout the country, NHDP-IV envisages upgradation of 20,000 kms of such highways into two-lane highways, at an indicative cost of Rs.25,000 crore. This will ensure that their capacity, speed and safety match minimum benchmarks for national highways.

#### **Six-laning of 6,500 kms (NHDP-V)**

Under NHDP-V, the Committee on Infrastructure has approved the six-laning of the four-lane highways comprising the Golden Quadrilateral and certain other high density stretches, through PPPs on BOT basis. These corridors have been four-laned under the first phase of NHDP, and the programme for their six-laning will commence in 2006, to be completed by 2012. Of the 6,500 kms proposed under NHDP-V, about 5,700 kms shall be taken up in the GQ and the balance 800 kms would be selected on the basis of approved eligibility criteria.

#### **Development of 1000 km of expressways (NHDP-VI)**

With the growing importance of certain urban centres of India, particularly those located within a few hundred kilometers of each other, expressways would be both viable and beneficial. The Committee on Infrastructure has approved 1000 k.m. of expressways to be developed on a BOT basis, at an indicative cost of Rs.15,000 crore. These expressways would be constructed on new alignments.

### Other Highway Projects (NHDP-VII)

The development of ring roads, bypasses, grade separators and service roads is considered necessary for full utilization of highway capacity as well as for enhanced safety and efficiency. For this, a programme for development of such features at an indicative cost of Rs.15,000 crore, has been mandated.

### Accelerated Road Development Programme for the North East Region

The Accelerated North-East Road Development Project is under consideration, which will mainly provide connectivity to all the State capitals and district headquarters in the north-east. The proposal would include upgrading other stretches on NH and state highways considered critical for economic development of the north-east region.

### Institutional Initiatives

Steps are being taken for restructuring and strengthening of National Highways Authority of India (NHAI), which is the implementing agency for the National Highways programme. Institutional mechanisms have been established to address bottlenecks arising from delays in environmental clearance, land acquisition etc. A special focus is being provided for traffic management and safety related issues through the proposed Directorate of Safety and Traffic Management. It is expected that the sum total of these initiatives should be able to deliver an efficient and safe highway network across the country

In order to specify the policy and regulatory framework on a fair and transparent basis, a Model Concession Agreement(MCA) for PPPs in national highways has been mandated. It is expected that this common framework, based on international best practices, will significantly increase the pace of project award as well as ensure an optimal balance of risk and reward among all project participants.





## **View of National Highway Development Programme**

### **Pradhan Mantri Bharat Jodo Pariyojana (PMBJP)**

The PMBJP programme encompasses 48 new projects for upgrading and four-laning 10,000 km of roads outside the ambit of NHDP. Road stretches are being identified on the basis of three factors: traffic density, whether these roads connect State capitals with the NHDP network, and whether these roads are linked to important centers of tourist or economic activity.

### **Pradhan Mantri Grameen Sadak Yojana (PMGSY)**

PMGSY, launched in December 2000, is a project aimed at improving rural roads and connectivity of villages. The project will provide road connectivity to 160,000 unconnected rural habitations with populations of 500 persons or more by the end of the Tenth Plan period (2007), at an estimated cost of US\$13.33 billion. The programme aims at upgrading 500,000 km of rural roads and is being executed as a centrally sponsored scheme in all the States and six Union Territories.

( Source: [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

### **The Railway Sector in India**

The Indian Railways, with a capital base of about Rs. 55,000 crore, is the principal mode of transportation for carrying bulk freight and long distance passenger traffic. Railways are cost effective and also environment friendly. Yet, capacity and efficiency constraints in the freight segment have, over the years, led to a significant shift from railways to road transport. A renewed focus of the Railway Ministry on efficiency, customer care, and commercial principles is aimed at reversing this trend. The recent turn around in railway operations suggests that Indian Railways are poised for rapid growth in capacity expansion.

### **Investments**

The Railways has a large number of ongoing projects, which require huge funds for completion. The Tenth Five Year Plan provides on capacity augmentation and improvement of the quality of services. The Golden Quadrangle and its diagonals, which comprise 25 per cent of the total broad gauge route km. carry more than 65 per cent of the total freight traffic and more than 55 per cent of the total passenger throughput, would be given priority. The capacity augmentation of the system and improvement in quality of services would be carried out through technological upgradation and modernisation. While augmenting capacity in various sections, route-wise study based on origin and destination survey would be carried out.

The Tenth Plan identified certain thrust areas in the railways sector. These are: capacity expansion through modernisation and technological upgradation, improvement in the quality of service, rationalisation of tariff in order to improve the share of rail freight in the total traffic and to improve the safety and reliability of rail services. The Tenth Plan had targeted a relative low growth rate of 5 per cent in freight. The average annual growth rate of freight (originating tonnage) in the first three years of the Tenth Plan is likely to be 6.8 per cent. This is commendable and it is necessary to continue to maintain this growth rate in future and ideally also step it up in view of the need for increasing the share of railways in freight traffic and ensuring a cost-efficient mode of transport, which will benefit the economy in the long run. This will require augmenting capacity, particularly on the main routes which are currently over-stretched. The rate of growth of passenger traffic (in terms of number of passengers) is only around 2.02 per cent, against 4.93 per cent in case of passenger kms, indicating an increase in the average lead of passenger traffic, is a welcome development on the whole. It is expected that the Railways will be able to achieve its targets for passenger traffic of Tenth Plan.

### **National Rail Vikas Yojana**

The Government announced the National Rail Vikas Yojana (NRVY) in August, 2002 in order to remove capacity bottlenecks in the critical sections of the Indian Railway Network. It comprises of three components:

- Strengthening of the Golden Quadrilateral (GQ) and its diagonals.
- Strengthening of rail connectivity to ports and development of multi – modal corridors to the hinterland.
- Construction of four mega bridges: Bogibeel Rail-cum-Road bridge across river Brahmaputra, Munger Rail cum Road bridge across river Ganga, Patna Ganga bridge and a bridge over river Kosi.

The NRVY projects, except for the mega bridges, are targeted to be completed in five years (2002-07). The Rail Vikas Nigam Limited (RVNL) was set up as a SPV to execute the first two components of NRVY. The RVNL is to

undertake project development and mobilisation of resources along with execution of projects on a commercial format, using largely non-budgetary funds. The Ministry of Railways has assigned 53 capacity enhancement projects to RVNL. Of these, 32 projects lie on the GQ and 21 projects relate to connecting ports and strengthening hinterland connectivity. The RVNL projects involve doubling of 1911 km, gauge conversion of 1640 km, new lines of 522 km, railway electrification of 1916 km. and strengthening of about 10,000 km. of GQ and its diagonals for running of freight trains t 100 km. per hour (kmph). The total route kilometres. under various types of developmental works is about 16,019 kms.

The Union Government has envisaged a budgetary support of Rs.3,000 crore for RVNL, including Rs.1,500 crore as external aid from the Asian Development Bank (ADB), which shall be available to RVNL as Government of India's equity. The rest of the funding requirements will have to be arranged by RVNL by devising various financing models. The initiative of implementing financially viable projects through RVNL needs to be reinforced. Three such SPVs have already been formed and more are being developed specially in the port connectivity projects. RVNL also intends to execute identified projects through BOT and market borrowings. Project-specific SPVs may raise resources from the market or from external resources against identified incremental revenues from the project. Some of the SPVs could be in the form of joint ventures with stake holders. Others could be based on BOT/ Build-Operate-Lease-Transfer (BOLT) mode.

### ***Public-Private Partnership in Running of Trains***

Indian Railways have already set up Indian Railways Catering and Tourism Corporation for taking all steps to boost up rail based tourism, including running of tourist trains. In fact village on wheels and hill trains are being run. In addition, railways are tying up with different state governments for running tourist trains on the pattern of palace on wheels and Deccan Odyssey Railway may explore the possibility of Public Private Partnerships in running tourist trains. The operational part relating to traffic management and use of railway tracks may continue to vest in the railways. Railways have taken steps recently for private participation in goods traffic, such as allowing competition in movement of container traffic and wagon investment schemes. However, Railways may explore the possibility of public-private partnership in running goods trains between specified destinations as suggested for tourist trains. This would help in adding modern rolling stock that would add to the traffic and revenues of the railways.

### **Rail Budget 2006-07**

The rail budget has planned an outlay of Rs. 23,475 crore for the year 2006-07. The thrust of the Annual Plan is on early completion of throughput enhancement works, safety, development and expansion of the network. The outlay on safety related plan heads, is Rs.2,922 crore for Track Renewals, Rs.590 crore for Bridges and Rs.1,518 crore for Signalling &Telecommunications, Rs.436 crore for construction of ROBs/RUBs and Rs.275 crore for manning of unmanned level crossings. For national projects need based funds to be released by Ministry of Finance of Rs. 2,092 crore. As per the rail budget outlined the investment strategy as giving the highest priority to route-wise throughput enhancement works on high-density network. In addition, all pending throughput enhancement works to be completed in the next three years.

### **Increased share in freight traffic:**

Railways have taken a number of steps during Tenth Plan period to improve railways' share in freight traffic. These include rationalization of freight tariff structure, user benefit measures such as trainload benefit for all block rakes and commodities, flexible rating policy for specific pairs of stations, incentive to premier customers generating high freight earnings for traffic originating from sidings, computerisation of freight movements, provision of in-house facilities etc. Other measures taken by the railways include provision of linkages to ports, introduction of more high speed wagons and refrigerated parcel vans. The Railway Budget for 2006-07 has also announced a number of initiatives aimed at increasing the freight traffic.

### **The Delhi-Mumbai (Western) and Delhi-Howrah (Eastern) dedicated freight corridor projects:**

The rail budget announced a plan for the Dedicated Multimodal High Axle Load Freight Corridor with computerised control on Western and Eastern routes to be constructed at an estimated cost of Rs. 22,000 crores. The Cabinet has approved the proposal, with railways to go in for EPC & PPP and an SPV has been formed to construct the freight corridors. The project would take at least five years for implementation (after the new organizational structure is established, project report finalized, approval obtained and funding firmed up) and assuming that the current estimates are correct, the average annual requirement would work out to more than Rupees 4500 crore. This

requirement would be over and above the normal requirements of the Railways for renewal and replacement, acquisition of rolling stock, multiplexing, modernization, projects for new lines and conversion into broad gauge etc.

The Task Force noted that the development of a dedicated freight corridor is highly capital intensive. The provision of such a corridor and its operation must be on commercial principles if quality services are to be provided on a sustainable basis. This would require setting up of higher productivity standards, entailing the adoption of norms, benchmarks, policies and practices, which may be significantly different from what are being followed by the Indian Railways. In an interim draft report by RITES, an Indian Railways undertaking, the construction cost of the east and west corridors has gone up a whopping Rs 13,000 crore to Rs 35,000 crore, from the earlier estimate of Rs 22,000 crore. According to the draft report, the eastern corridor would cover 1,280 km, of which 280 km would be on a new alignment. Similarly, the western corridor will cover 1,483 km, of which 276 km will be diverted. The report awaits ministry comments. (Source: [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

### **Overview of Real Estate Sector in India**

The real estate market in India is on a high curve driven by robust economic growth, favourable demographics and benign interest rate environment. The sector has been traditionally characterized by substantial demand supply gap in all sub segments of the sector. The development is predominantly led by private sector players. Household consumption continues to be a key growth driver for the Indian economy supported by an uptick in the housing demand, which has helped provide buoyancy to the real estate market.

Residential, commercial and retail sectors are currently witnessing huge growth in demand through out India. New customer segments are emerging coupled with increased demand for hotel accommodation and infrastructure.

The following factors are expected to drive the growth of real estate market:

1. Rising residential demand
2. Continued demand from Information Technology (IT) and Information Technology Enabled Services (ITES) for commercial space
3. Rising retail demand in urban and semi-urban areas
4. Favourable policy in the form of FDI will drive the growth of real estate industry

Demand in India is broadbased on the back of robust drivers across Tier I, Tier II and Tier III cities. Jones Lane LaSalle has classified the following cities as in its research on Emerging City Winners date September 2005 (Source: [www.joneslanelasalle.com](http://www.joneslanelasalle.com)):

Tier I: Bangalore, Delhi and Mumbai

Tier II: Chennai, Hyderabad, and Pune

Tier III cities: Ahmedabad, Baroda, Bhubaneswar, Chandigarh, Cochin, Coimbatore, Indore, Jaipur, Kolkata, Ludhiana, Lucknow, Mangalore, Mysore, Nagpur, Nasik, Vizag, Trivandrum and another 23 cities with population over 1 million

These cities offer considerable cost savings and access to significant pool of skilled labour.

### **Urban Water Supply and Sanitation Sector:-**

Water supply and sanitation are important basic needs affecting the quality of life and productive efficiency of the people. Provision of these basic services continues to be among the core activities of urban local bodies. The State Governments and Urban Local Bodies are responsible for providing the services through proper planning, implementation, operation and maintenance, and monitoring through the funds available under State Plans, internal resource generation and by taking loans from financial institutions. On the basis of information furnished by the different State Implementing Agencies, 89 per cent of the urban population is reported to have access to water supply and 63 per cent of the urban population access to sewage and sanitation facilities. The data only relate to access, which is different from quantity of water and quality of service. The quality of water and the service provided often fall short of the relevant norms. The Tenth Plan emphasizes provision of these important infrastructure facilities, and 100 per cent coverage of urban population with water supply facilities and 75 per cent of urban population with sewage and sanitation by the end of the Tenth Plan period, i.e. March 31, 2007. The funds required for this purpose is estimated at over Rs. 53,000 crore.

**Table 9.24 : Funds requirement for water supply and sanitation in the Tenth Plan**

		(Rs. in crore)	
<b>Estimates requirement of funds</b>		<b>Likely availability from different sources</b>	
Water Supply	– Rs. 28,240	Central Government	2,500
Sanitation	– Rs. 23,157	State Governments	20,000
Solid Waste Management	– Rs. 2,322	HUDCO	6,800
<b>Total</b>	<b>– Rs. 53,719</b>	LIC	2,500
		Other Public Financial Institutions and External Funding Agencies	4,000
		<b>Total</b>	<b>35,800</b>

( Source: [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

### **Office Property:**

Office property market in India is booming. There is great demand for modern office buildings in India. The demand for new office spaces alone has grown from estimated 3.9 million sq ft in 1988 to over 16 million sq ft in 2004-05. Cumulative demand for office space in India between 2005-2008 is estimated to be in excess of 85 million sq ft. This represents an annual growth rate of 14.5 % over the next three years or approx. 20 million sq. ft. per year. Approx 80% of this demand is created by IT & BPO sectors. ITES contributes 28% of the total software service export from India during the year 2004. ITES and BPO segment registered a growth of 54%. NASCOM and McKinsey study has predicted that ITES sector in India will provide additional jobs for over 1.1 million people by 2008 which translates into space requirement of approx. 100 million sq ft.

(Source: [www.ficci.com](http://www.ficci.com))

### **Retail:**

Retail is considered the world's largest private industry with a total sale of over US \$ 6.6 trillion with close to 12 million outlets. India has the largest retail density in the world. Retail in India is fragmented and organized retail in India is less than 2% of the total retail market. Growth in per capita income, change in house hold income pattern, improved standard of living form key team drivers for growth in retailing. It is estimated that presently additional 46 million sq ft. for malls, multiplexes is being added in India out of which 32 million sq ft is spread over across seven major Indian cities. As many as 45 malls with over 9.5 million sq ft of retail real estate is expected to come up in tier-2 cities like Jaipur, Chandigarh, Ludhiana, Nagpur, Baroda, Surat, Kochi by end of 2007.

( Source: [www.ficci.com](http://www.ficci.com))

### **PARKING:**

With the rising population of on-road vehicles, parking problem is assuming enormous proportions in urban areas. The parking problem gets aggravated even more in high activity areas like office complexes, commercial areas etc.

Although consumers may have many choices when it comes to buying a vehicle they usually have few choices for parking the same and the alternatives that exist are often poorly integrated. In fact, poor range of public transport system is one of the key factors propelling dependence on personalized modes- thus increasing the overall parking demand.

An efficient market must provide consumers with a variety of choices from which they can choose the combination of quantity, quality and price that best suits their needs. Consumers must also have accurate information about their choices. Only if consumers have viable choices and accurate information can the decisions they make represent their true preferences. For example, sometimes you may be willing to spend a lot of money for a complete meal at a quality restaurant, but at other times you may prefer to save money by eating at a less expensive restaurant, by ordering just a single dish, or by purchasing food at a store and cooking yourself. Only you, as a consumer, can

decide which option best meets your needs in a particular situation. Similarly this is how the issue of Equality Impact can be over-come. A parking lot at a distance can be priced lower than that besides an existing commercial development. It is up to the consumer to decide what he wants.

### **Automated Parking Systems**

It may be noted that there are various known parking systems presently under operation all over the world. Each parking system has its own distinct advantages and disadvantages and the onus is on the user to decide which are priorities and accordingly choose the one that suits best. Since each system is a self-proprietary knowledge, it is not possible to bring them on par for the purpose of comparison. The price of each system would also vary accordingly with each requirement adding to the cost of the basic system (similar to add-ons while buying cars). A detailed annexure enclosed along with this report categorizes all the parking systems in the world into three and uses a weighted method to prioritise the requirement of the user before short-listing the system most appropriate for use.

#### **a. The Gantry System**

The beauty of this Parking system is inherent in its intrinsic simplicity. The system shall be operated from entry / exit lobby, with one control room / panel and ticketing system. For every car to be parked in the system, there is a steel pallet designated when the car is to be parked. On a button being punched the entrance gate opens. The driver parks his car on the pallet, engages a gear, locks his car (optional), and walks out of the system. The tickets to the system may be magnetic strip cards or smart cards or any other electronically recognizable card. From herein onwards, the computer takes over. The computer decides, which floor, which slot the car is to be placed. Accordingly, the pallet with the car placed on it is taken up with the help of an elevator to the desired floor. The next step is that of the carrier picking up the pallet along with the car, and moving it horizontally along the structure to the place assigned by the computer. It should be made quite clear here, that the height of each floor, is a little more than two cars height, so that the carrier transports the car above the already parked cars.



Retrieval of parked cars is precisely the same operation, but in the reverse order. When the driver comes to collect his car, he gives the card, which was given to him on parking. The card is presented to computer for recognition and automatically the bill for parking is generated for payment. Simultaneously the computer has issued the order for retrieval. Carrier picks up the relevant pallet, transports it over other cars and places it on the elevator. The elevator brings down the pallet. On retrieval, through a turntable, the pallet takes a turn and the car is in a drive out position. Main gate opens automatically driver walks in and drives out in his car. Gate closes.

The entire system can operate, with just one ticket attendant in each lobby. In case of the remote eventuality of any problem, the same shall be reflected immediately in the master computer in the control room and the fault rectified within minutes.

#### **b. Pallet Shifting Technology**

The admission room is the only area that can be accessed by users. This is the room where the car is driven on and off the parking pallet and where the car dimensions are checked and the users actions are monitored. The pallets are horizontally stored in parking layers using three different types of carriers namely the Broad carrier - the pallets are moved laterally, length carrier - the pallets are moved longitudinally, Pop-up - the pallets can be moved both laterally and longitudinally.



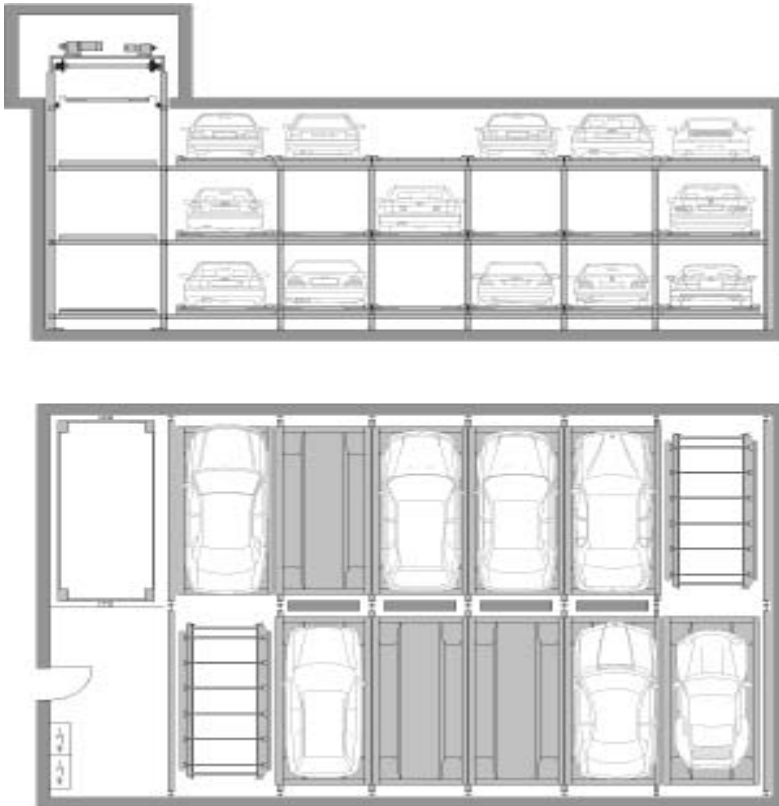
A vertical transport system moves the pallets to the various parking layers and/or to and from the admission room facing the right direction for leaving the room.

### **C. Empty Square System/Puzzle Parking Technology**

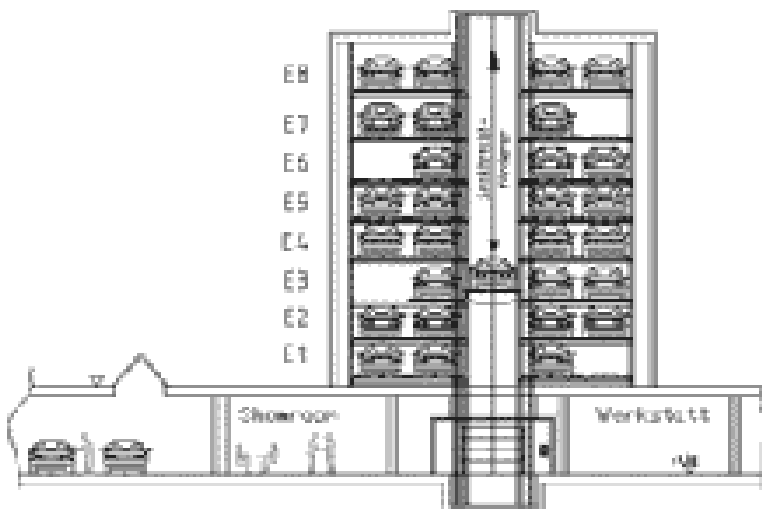


This semi-automatic system provides independent parking spaces for cars, one on top of the other and side-by-side. Dimensions are in accordance with the Indian car specification (Ambassador) and the underlying dimensions of parking pit, height and width. Along the complete width of the parking automat an approach lane (driving lane in accordance with local regulations) must be available. Under Indian situation this width must be min. 8/9-Meters for turning radius of the car. Parking spaces are arranged on three/ four levels vertically and each module is for a two to ten cars parked horizontally side-by-side. The vehicles are parked on solid steel platforms. The parking modules of this system are accessed horizontally.

This automatic parking system is for a max. of 50 cars in a single module. It can be laid out in a max. of 5 levels. This system is adaptable to individual small project requirements. Multi-row arrangement with 2 to 4 rows behind one another are possible.

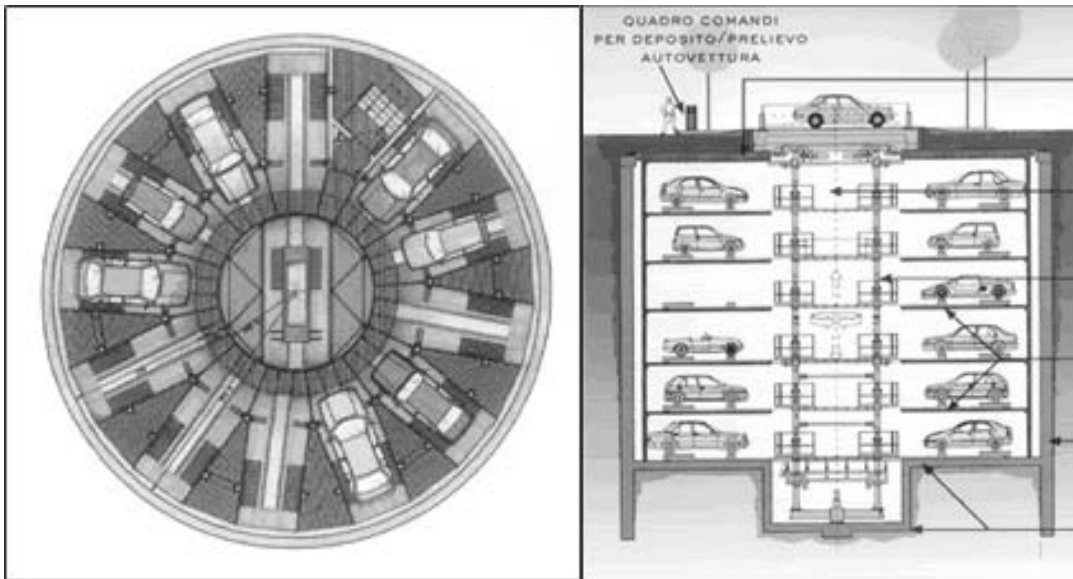


#### D. Tower Type System/Warehouse Technology



This Parking can be modified to fit into a circular/ round and an also underground tower is an optimal solution particularly in the case of limited area available. It is possible to park up to 12 cars at one floor of a tower of 16 m

diameter. Cars are brought to single floors by means of a central elevator in the tower. Car lifting and positioning is done simultaneously, and as a result, up to 80 cars can be moved in one hour. Both entry and exit from parking towers can be easily adapted to outside roads. This is an automatically controlled parking system with a vertical conveyor and storage shelves arranged on both sides.



Tower, shaft and tower/shaft arrangements are possible with entrance at bottom, top or in between. The system can include up to 3 rows of parking places either side of the vertical conveyor. A fully automatic car parking system dispenses with the need for ramps and driving lanes, offers security against theft, damage and vandalism and is environmentally friendly in respect of its compact construction and reduced emission of exhaust gases. General running costs (lighting, ventilation, routine maintenance etc.) are less than for conventional multi-Storey car parks.

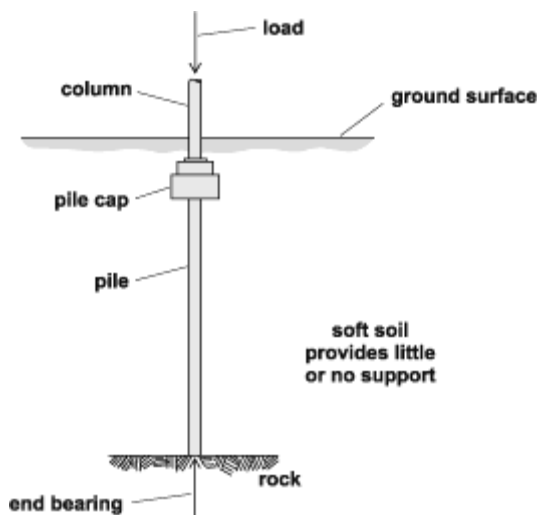
As far as the actual parking system is concerned, the user sees only the admission room (lift area). Outside of this room, there is a ticket reader that registers cars being brought and collected and a display with a graphical representation of the system. The display shows various details, such as the location of the pallets on the parking layers and a text line for “communication” with the user. The admission room itself houses all photocells and car measuring equipment, as well as a panel with lamps using red and green icons to help the driver place the car on the pallet in the correct position. If the measurement equipment shows that a car is too high, too wide or too long, it will have to be removed from the room. The entrance closes for a “time out”, after which it will be available for the next activity.

## **PILING:**

Piling is a special type of foundation that enables a structure to be supported by a layer of soil found at any depth below the ground surface. Piles are used when the soil near the ground surface is not strong and the weight of the structure must be carried by deeper soil layers.

A pile foundation comprises two basic structural elements, the pile and the pile cap. A pile cap is a structural base, similar to a spread footing, that supports a structural column, wall, or slab, except that it bears on a single pile or group of piles. A pile can be described as a structural stilt hammered into the ground. Each pile carries a portion of the pile cap load and transfers it to the soil in the vicinity of the pile tip, located at the bottom of the pile (see illustration).





The pile and pile cap configuration has provided the basic design solution to the difficult problem of obtaining deep foundation support below areas where poor soil conditions prevail. Poor soil conditions may be difficult to excavate through, and are incapable of supporting structural loads. They are typically characterized by the presence of a soft, compressible layer of clay, high ground-water levels, loosely filled soils, uncontrolled landfills, boulders, abandoned underground structures, and natural bodies of water. By supporting a structure on piles in lieu of spread footings, any adverse soil condition may be virtually bypassed, and adequate foundation support can be obtained at any depth, without the need to perform deep excavation, dewater, and install temporary sheeting and bracing. Piles are available in a variety of sizes, shapes, and materials that enable a particular type of pile foundation to be viable both economically and structurally. Historically, piles were made of wood, later reinforced concrete is the basic material of pile.

Pile foundations are used to support marine structures and offshore platforms, since they are located over bodies of water. On land, pile foundations are used primarily in locations where poor soil conditions exist.

#### Different Types Of Piles

##### Driven piling

Driven piles are typically either wood, concrete, or steel. Wooden piles are typically made from trunks of tall trees. Concrete piles are available in square, octagonal, and round cross-section, are reinforced, and are often prestressed. Steel piles are either *pipe piles* or some sort of beam section. Historically, wood piles were spliced together when the bearing layer was too deep for use with a single pile; today splicing is only common with steel piles, though concrete piles can be spliced with difficulty.

##### Drilled piles

Rotary boring techniques offer larger diameter piles than any other piling method and permit pile construction through particularly dense or hard strata. Construction methods depend on the geology of the site. In particular, whether boring is to be undertaken in 'dry' ground conditions or through water-logged but stable strata - i.e. 'wet boring'.

'Dry' boring methods employ the use of a temporary casing to seal the pile bore through water-bearing or unstable strata overlying suitable stable material. Upon reaching the design depth, a reinforcing cage is introduced, concrete is poured in the bore and brought up to the required level. The casing can be withdrawn or left in situ.

'Wet' boring also employs a temporary casing through unstable ground and is used when the pile bore cannot be sealed against water ingress. Boring is then undertaken using a digging bucket to drill through the underlying soils to design depth. The reinforcing cage is lowered into the bore and concrete is placed by tremmie pipe, following which, extraction of the temporary casing takes place.

In some cases there may be a need to employ drilling fluids such as bentonite suspension, in order to maintain a stable shaft. Rotary auger piles are available in diameters from 350 mm to 2400 mm and using these techniques, pile lengths of beyond 50 metres can be achieved.

##### Underreamed piles

Underream piles have mechanically formed enlarged bases that have been as much as 6m in diameter. The form is that of an inverted cone and can only be formed in stable soils. In such conditions they allow very high load bearing capacities.

### **Auger Cast Pile**

An auger cast pile is formed by drilling into the ground with a hollow stemmed continuous flight auger to the required depth or degree of resistance. No casing is required. A high slump concrete mix is then pumped down the stem of the auger. While the concrete is pumped, the auger is slowly withdrawn, lifting the spoil on the flights. A shaft of fluid concrete is formed to ground level. Reinforcement placed by hand is normally limited to 6 metres in depth. Longer reinforcement cages can be installed by a vibrator, or placed prior to pouring concrete if appropriate specialized drilling equipment is used.

Auger cast piles cause minimal disturbance, and are often used for noise and environmentally sensitive sites.

### **Specialty piling, Mini piling, Micropiling**

Where the demands of the job require piles in low headroom or otherwise restricted areas, and for specialist and or smaller scale projects, many companies offer a range of mini piling services using hydraulic pressure or percussive and rotary. The micropiles can be installed using either drilling, impact driving, jacking, vibrating or screwing machinery. The micropiles are often grouted as shaft bearing piles but non-grouted micropiles are also common in Nordic Countries as end-bearing piles.

### **Tripod piling**

The use of a tripod rig to install piles is one of the more traditional ways of forming piles and although unit costs are generally higher than with most other forms of piling, it has several advantages which have ensured its continued use through to the present day. The tripod system is easy and inexpensive to bring to site, making it ideal for jobs with a small number of piles. It can work in restricted sites (particularly where height limits exist), and it is a very reliable, tried and tested system, useable in almost all ground conditions.

### **Sheet piling**



## **A. INTERLOCKING SHEET PILING**

Sheet piling is a form of driven piling using thin interlocking sheets of steel to obtain a continuous barrier in the ground. The main application of steel sheet piles is in retaining walls and cofferdams erected to enable permanent works to proceed.

### **Soldier Pile/King Pile**

Soldier piles, also known as Berlin Walls, are constructed of wide flange steel H sections spaced about 2-3 m apart, driven prior to excavation. As the excavation proceeds, horizontal timber sheeting (lagging) is inserted behind the H pile flanges.

The horizontal earth pressures are concentrated on the soldier piles because of their relative rigidity compared to the lagging. Soil movement and subsidence is minimised by maintaining the lagging in firm contact with the soil.

Soldier piles are most suitable in conditions where well constructed walls will not result in subsidence such as overconsolidated clays, soils above the water table if they have some cohesion, and free draining soils which can be effectively de-watered, e.g. sands.

Unsuitable soils include soft clays and weak running soils that allow large movements such as loose sands. It is also not possible to extend the wall beyond the bottom of the excavation and de-watering is often required.

## **CONSTRUCTION BUSINESS MODELS**

### **Types of contract**

There are different models currently being adopted for PPPs in India which vary in the distribution of risks and responsibility between the public and the private sectors for financing, constructing, operating, and maintaining assets. Two important types of contracts - BOT and BOOT - are explained below, as well as certain other contracts generally used in the Indian construction industry.

### **Build-Operate-Transfer (“BOT”)**

Under this type of PPP contract, the Government grants to a contractor a concession to finance, build, operate and maintain a facility for a concession period. During the life of the concession, the operator collects user fees and applies these to cover the costs of construction, debt-servicing and operations. At the end of the concession period, the facility is transferred back to the public authority. BOT is the most commonly used approach in relation to new highway projects in India, and is also used in the energy and port sectors.

### **Build-Own-Operate-Transfer (“BOOT”)**

BOOT contracts are similar to BOT contracts, except that in this case the contractor owns the underlying asset, instead of only owning a concession to operate the asset. For example, in the case of hydroelectric power projects, the contractor would own the asset during the underlying concession period and the asset would be transferred to the Government at the end of that period pursuant to the terms of the concession agreement.

### **Design-Build-Finance-Operate (“DBFO”)**

The NHAI is planning to award new highway contracts under the DBFO scheme, wherein the detailed design work is done by the concessionaire. The NHAI would restrict itself to setting out the exact requirements in terms of quality and other structures of the road, and the design of the roads will be at the discretion of the concessionaire. The NHAI expects the DBFO scheme will improve the design efficiency, reduce the cost of construction and reduce time to commence operations, in addition to giving the concessionaire greater flexibility in terms of determining the finer details of the project in the most efficient manner.

### **Item Rate Contracts**

These contracts are also known as unit-price contracts or schedule contracts. For item rate contracts, contractors are required to quote rates for individual items of work on the basis of a schedule of quantities furnished by the customer. The design and drawings are provided by the customer. The contractor bears almost no risk in these contracts, except escalation in the rates of items quoted by the contractor, as it is paid according to the actual amount of work on the basis of the per-unit price quoted.

### **Engineering Procurement Construction/Lump-Sum Turnkey Contracts**

In this form of contract, contractors are required to quote a fixed sum for the execution of an entire project including design, engineering and execution in accordance with drawings, designs and specifications submitted by the contractor and approved by the customer. The contractor bears the risk of incorrect estimation of the amount of work, materials or time required for the job. Escalation clauses might exist in some cases to cover, at least partially, cost overruns.

### **Operations and Maintenance (“O&M”) Contracts**

Typically an operations and maintenance contract is issued for operating and maintaining facilities. This could be in sectors such as water, highways, buildings and power. The contract specifies routine maintenance activities to be undertaken at a predetermined frequency as well as break-down maintenance during the contract period. While the contractor is paid for the routine maintenance based on the quoted rates which are largely a function of manpower, consumables and maintenance equipment to be deployed at the site, any breakdown maintenance is paid for on a cost-plus basis.

### **Front End Engineering and Design (“FEED”) Contracts**

Ordinarily, FEED work is carried out as a part of a consultancy assignment where the consultant provides FEED data to the project owner to enable it to take a decision on making a tender for construction. In addition to this, the FEED is also a prerequisite to enable a contractor to bid for EPC/turnkey projects. A FEED project can be an independent consultancy project or a part of an EPC/turnkey contract.

**Price Preference**

In tenders for the projects funded by multilateral agencies such as the World Bank and the Asian Development Bank, where there is international competitive bidding, generally there is a clause of price preference of 7.5% for domestic bidders. In this case, if the bid by the domestic player is 7.5% higher than the lowest international bid then the employer has to award the project to the domestic bidder. This would be subject to certain conditions specific to the project. In case the domestic bidder is in joint venture with an international bidder, then the domestic bidder should have share of 51% or more in the joint venture.

**Purchase Preference**

In government tenders for projects normally less than Rs. 100 crores, there is a purchase preference clause wherein a tender submitted by a Public Sector Undertaking (PSU) will entail 10% price preference over other bidders. In this case, if the bid by the PSU is 10% higher than the lowest bidder, the employer reserves the right to award the project to the PSU if they can match the price of the lowest bidder.

**Approaches**

In the case of large projects, players have adopted two critical approaches, in order to obtain and execute the contract. While contractors have entered into joint ventures (JVs) in order to secure the projects, project execution is undertaken largely through subcontracting.

**Joint ventures (JVs)**

JVs are usually project-specific and are contractual obligations among either domestic or foreign contractors. Besides pre-qualifying for projects, JVs are formed to reduce the risk exposure in large projects and combine specialist skills. JVs are usually project-specific, with revenues/profits shared on a pre-determined basis. For instance, in the case of road projects, all the stretches under Phase III have been planned on BOT basis, and therefore, will need higher level of investments. This has compelled a lot of small contractors to join hands with bigger players, and together on a joint venture basis, bid for the projects. The bigger player benefits from the joint venture as, to some extent, his equity and project completion risk is shared by the other smaller members of the joint venture (consortium). The bigger player is likely to get higher margins as compared to smaller contractors as he assumes greater equity risk in the project. The bigger sized projects will also bring in economies of scale and thereby can reduce the construction cost to some extent.

**Sub-contracting**

Subcontract arrangements are widespread in the construction industry, because of the diversified nature of the jobs in a project. Moreover, the use of sub-contract arrangements enable larger construction companies to maintain flexibility in operations and lower their overheads, while enabling the relatively smaller contractors to gain expertise and increase their turnover.

In sub-contracting, smaller companies undertake tasks that are not undertaken by the principal contractor, or specialised tasks, through a sub-contract arrangement. Currently, only up to 30 per cent of the project can be sub-contracted. Sub-contracting practices are adopted by both large and small contractors. Large contractors, sub-contract work in India to smaller contractors, while in the international construction market, they undertake sub-contracting activity for larger foreign players. While sub-contracting decreases the capital investment of prime contractors, it enhances the likelihood of timely completion and lowers overhead expenses. It also results in lower profit margins for contractors.

## OUR BUSINESS

We are an ISO 9001:2000 certified construction company and we provide integrated engineering, procurement and construction services for civil & Structural construction and infrastructure sector projects. Our Company was incorporated as a public limited company on 31<sup>st</sup> October 1990. The Registered Office of our Company is situated at Kolkata and Project Sites are situated all over India.

Our focus area includes:

- Piling and Foundations
- Civil construction projects, which include structures such as commercial and residential complexes, mass housing projects, townships, industrial structures;
- Transportation engineering projects including bridges, flyovers, underpasses, road projects; and
- Irrigation, Water supply and Sewerage Schemes.
- Installation and operation of Multi Level Car Parking Systems

Our portfolio of completed and ongoing civil construction projects includes commercial and residential buildings, group housing projects and townships, industrial structures, hospitals and universities and educational campuses. In the infrastructure portion of our business, our projects fall broadly into the following categories: transportation engineering, and irrigation & water supply. In the transportation engineering category, we have constructed roads, bridges, flyovers and underpasses. In the irrigation & water supply category, we have built water supply and sewerage projects. We have also completed various piling projects. Further, our Subsidiary is involved in the business of installation, development, operation and maintenance of multi-level Automated Car Parking Systems. Our Subsidiary has already completed two multilevel fully automated car parking project, one for 214 cars while the second underground fully automated parking project for 250 Cars became operational from April 2007.

Our Plant and Equipment resources consist of large fleets of piling and construction equipment like Piling Rigs, Boring Equipment, Modern Batching Plants, Excavators, Dumpers, latest Cranes and many more. Our fleet of piling equipments is among the largest in Eastern India. We have technical collaborations with International construction companies for advanced techniques for construction business. Some of the international companies with which our Company has technical collaboration are:

- EWW Verenigde Bedrijven B.V., a Limited Company incorporated under the laws of Netherlands
- Ballast Nedam International Projects BV, Netherlands
- Wannas Enterprises L.L.C., Sultanate of Oman
- Onsite Central Limited, (whose principle place of business is in England)

We are currently executing the following major projects:

### BUILDINGS & HOUSING PROJECTS:

Sr. No.	Name of Work	Name of Client	Proposed Date of Completion	Contract Value	Outstanding Value as on 01.06.07
				(Rs. In Lacs)	(Rs. In Lacs)
1	Construction of 100 Bedded Hospital at Thoubal, Manipure	National Building Construction Corporation Ltd, New Delhi	Feb-08	2,180.08	1,363.08

2	Construction Of Residential Complex "Arihant Heirloom" at Thazhambur, Chennai.	Arihant Foundations & Housing Ltd.	Jun-08	1785.70	1,695.70
3	Construction of slum rehabilitation centre & allied facilities at Barfung Busti, Ravangla, South Sikkim	National Building Construction Corporation Ltd, New Delhi	Jun-07	1,614.42	4.42
4	Construction of Accomodation for urban employed youth and women vendors at New Market, Imphal	National Building Construction Corporation Ltd, New Delhi.	Mar-08	1,237.43	727.43
5	Construction of Accomodation for urban employed youth and women vendors at Laxmi Market, Imphal	National Building Construction Corporation Ltd, New Delhi	Dec-07	908.55	648.55
6	Construction for Civil works for Proposed Hospital Institute of NEURO SCIENCE at 185/1, AJC Bose Road, Kolkata - 700 017	The Director, Institute of Neuro Sciences, Kolkata	Dec-07	354.13	229.13
7	Civil Work for sub and superstructure of Mall and office building at City Centre , Siliguri	Ambuja Reality Development, Kolkata	Apr-08	1,573.26	1,573.26
8	Construction of Multi level car parking cum shopping plaza at Namchi, South Sikkim	National Building Construction Corporation Ltd., New Delhi	Nov-08	1,793.80	1,793.80

#### **PILING AND FOUNDATIONS**

<b>Sr. No.</b>	<b>Name of Work</b>	<b>Name of Client</b>	<b>Proposed Date of Completion</b>	<b>Contract Value (Rs. In Lacs)</b>	<b>Outstanding Value as on 01.06.07 (Rs. In Lacs)</b>
1	Cast-In-Situ Driven Pile for Dlf It Park Project (25 Acres), New Town Rajarhat, Kolkata	DLF Laing O'rourke (India) Ltd. Gurgaon	Jul-08	566.53	230.53
2	Kona Express city at South Parcel, Kolkata : Piling works (Podium - 1 & Podium - 2)	Havelock Properties Limited, New Delhi.	Oct-07	998.23	973.23
3	I.T.Park Project at Rajarhat, Kolkata : Piling works for phase - 3A.	Unitech Hi-Tech Structures Limited, New Delhi.	Oct-07	399.74	391.74
4	Construction of cast in situ driven piles, pile caps and tie beams for "Malancha" Housing Complex at Action	Bengal DCL Housing Development Company Limited,	Feb-08	878.81	878.81

	Area - II B New Town, Kolkata.	Kolkata.			
5	Providing and Installing RCC Piles for HDPE unit, Panipat Naptha Craker Project of Indian Oil Corporation Limited at Pasnipat (Haryana).	Indian Oil Corporation Limited, Mumbai.	Dec-07	646.83	646.83
6	Kona Logistic Hub Project at North Parcel, Kolkata : Installation of Driven Cast-in-situ Test Piles.	Havelock Properties Limited, New Delhi.	Jul-07	8.77	8.77
7	Uniworld City at Rajarhat, Kolkata : Piling work for Phase 5 (Tower no T - I & T - IV) and extended basement.	Bengal Unitech Universal Infrastructure Pvt. Ltd., Kolkata	Jul-07	240.98	240.98
8	Marriott Hotel Project at Rajarhat, Kolkata : Installation of Bored Cast-in-situ Test Piles.	Bengal Unitech Universal Townscape Limited.	Aug-07	13.70	13.70

#### BRIDGES, TUNNELS, JETTIES AND ROADS

Sr. No.	Name of Work	Name of Client	Proposed Date of Completion	Contract Value (Rs. In Lacs)	Outstanding Value as on 01.02.07 (Rs. In Lacs)
1	Proposed Road Over Bridge at Mithapur (Patna) in lieu of L-xing no.79 a (Mithapur) on Main Line and L-xing no.I Spl. on PG Section at Patna Station Yard Limit.	Eastern Railway, Kolkata	Mar-08	1,459.51	777.51
2	Construction of Road Over Bridges in Lieu of Existing Level Crossings at:- a) Km 213/21-23 between Stations Ghatshila and Galudih. b) Km 390/57-59 between Stations Kunki and Kandra, c) Km 422/3C between Stations Ranchi and Pisca on South Eastern Railway in Jharkhand State (Package - I)	Konkan Railway Corporation Limited,	Oct-07	1,357.05	373.00
3	Construction of Road Over Bridges in Lieu of Existing Level Crossings at:- a) Km 419/13 Between Stations Ranchi and Hatia. on South Eastern Railway in Jharkhand State (Package - II )	Konkan Railway Corporation Limited,	Oct-07	896.46	462.46
4	Construction of Road Over Bridges in Lieu of Existing Level Crossings at:- a) Km 272/24-26 Between Stations Dhanbad and Bhuli. b) Km 243/21-23 Between Stations Thaparnagar and Kalubathan. c) Km 269/11-13 between Stations Dhokra and Dhanbad on Eastern Railway in Jharkhand State (Package III )	Konkan Railway Corporation Limited,	Oct-07	2,086.73	334.21
5	Construction of Road Over Bridges in	Konkan	Oct-07	1,286.36	536.00

	Lieu of Existing Level Crossings at:- a) Km 320/17-19 Between Stations Parasnath and Chegro. b) Km 276/12-14 Between Stations Bhuli and Tetulmari.c) Km 29/11-12 between Stations Amlo and Prusro. on Eastern Railway in Jharkhand State (Package IV )	Railway Corporation Limited,			
6	Construction of Road Over Bridges in Lieu of Existing Level Crossings at:- a) Km 156/19-21 between Stations Ray and Khalari. b) Km 287/3-5 between Stations Daltangang and Kajri. on Eastern Railway in Jharkhand State (Package - V)	Konkan Railway Corporation Limited,	Oct-07	876.42	295.42
7	Construction of sub-structure of 8 nos Major Bridges at Km 22.555 (span 2x 18.3m composite girder), Km.24.448 (span 2x12.2m composite girder), Km. 26.325 (span1x18.3m composite girder), Km. 30.225 (span3x 18.3m composite girder), Km 34.301 (span 1x12.2m composite girder), Km. 34.682 (span 1x12.2m composite girder), Km. 36.975(span 2x18.3m composite girder), and Km. 47.382(span 7x18.3m composite girder), between Mahespur (Km.19.7) to Dhanwar Station (Km.48.6) in connection with construction of New B.G.Rail Line from Koderma to Giridih.	East Central Railway (Construction Organisation)	Mar-08	1,148.71	606.71
8	Construction of Residential Chiriyatand R.O.B and approaches (Phase - III rd)	Bihar Rajjya Pul Nirman Nigam Limited, Patna	Mar-08	232.00	108.00
9	Construction of Balance Portion of Two Road Over Bridges (ROBs) including Sub-structure, superstructure, approaches etc. complete in all respect in lieu of Level Xing No. 73 & 75 between Patna Sahib and Rajendra Nagar in Bihar.(Package XII BW)	Ircon International Limited, New Delhi.	Mar-08	2,772.99	2,772.99
10	Construction of Balance Portion of One Road Over Bridges (ROBs) including Foundation Sub-structure, superstructure, approaches etc. complete in all respect in lieu of Level Xing No. 79/1 at Mithapur, Patna in Bihar.(Package XIII BW)	Ircon International Limited, New Delhi.	Dec-08	3,060.64	3,060.64



## INDUSTRIAL PROJECTS

Sr. No.	Name of Work	Name of Client	Proposed Date of Completion	Contract Value (Rs. In Lacs)	Outstanding Value as on 01.06.07 (Rs. In Lacs)
1	"Sewerage Project Phase-I (Zone-I) for Imphal town with French Assistance (sh: construction of Sewage Treatment Plant-27 mld) at Lamphelpat"	Executive Engineer, Drainage and Sewerage Division, Public Health Engineering Department, Government of Manipur.	Mar-09	2063.28	1,813.28
2	Design and Construction of 18.0 MLD water treatment plant on Turn-Key basis at Waithoupat water supply scheme in Thoubal district, Manipur.	Executive Engineer, Public Health Engineering Department, Government of Manipur, Manipur.	Mar-08	984.42	834.42
3	Complete Construction Work of Plant building for new 1000 tpd Rotary kiln cement plant at vilage mynkree 116 KM stone, NH 44 Sub Divn., Khliehriat, District Jaintia Hills, Meghalaya	Hills Cement Co.Limited. Meghalaya	Mar-08	1,800.00	1,480.00
4	Construction of Overhead Tank & Ground Sump at Keisampat, Manipur	Executive Engineer, Water Supply and Maintenance Division, P.H.E.D, Government of Manipur, Manipur.	Oct-07	145.00	37.00

## Other Projects

Sr. No.	Name of Work	Name of Client	Proposed Date of Completion	Contract Value (Rs. in Lacs)	Outstanding Value as on 01.06.07 (Rs. In Lacs)
1	Construction of Sports Complex at Gangtok, Sikkim.	National Building Construction Corporation Ltd, New Delhi	Mar-09	1694.67	1694.67
2	Protection of the bank of river Bhagirathi at Mouza Agradwip, P.S. - Katwa, Dist - Burdwan, 900 meter length.	Zilla Parishad, Burdwan	Jul-07	728.46	678.46
3	Design, Manufacture, Supply, Storage, Handling at site, Erection, Testing and Commissioning, P.G. Tests alongwith Civil Works etc. for Downhill Conveying System on Lump Sum Turnkey basis - Package II for NMDC Bailadia Iron Ore Project Deposit No. 11B, Kirandul, District antewada, Chhattisgarh.	Sandvik Asia Limited, Pune	Aug-08	2042.00	2042.00

Some of our major completed projects include the following:

#### BRIDGE WORKS

Sr. No.	Description of work	Name and Address of Client	Date of Completion	Final Contract Value (Rs. in Lacs)
1	Construction of ROB (2 nos) over E.Rlys connection with 4 laning of NH2 from Bihar Border & Nunia Bridge	Eastern Railway (Construction Deptt.)	Jan-01	242.99
2	Construction of Major Rail Bridge (4 nos) connection with new B.G Line of Tamluk - Digha Line.	South-Eastern Railway (Construction Deptt.)	Aug-01	715.07
3	Rebuilding of bridge no 193 & 188 between Dalgaon & Binnaguri station	North East Frontier Railway, Maligaon, Guwhati	Feb-03	288.55
4	Rebuilding of bridge nos. 243 & 204 between Hamiltongung & Hasimara station	North East Frontier Railway, Maligaon, Guwhati	Feb-03	232.13
5	Rebuilding of bridge no. 173 & 178 between Carron & Nagrakata and Station Banarhat & Carron	North East Frontier Railway, Maligaon, Guwhati	Feb-03	234.00
6	Construction of major bridges i) Across Kanthi canal at Km. 55.566, ii) Across Pichabani Khal at Km 66.900, iii) Across Sonamayee Khal at Km 70.330.	South-Eastern Railway (Construction Deptt.), Garden Reach, Kolkata	Mar-04	499.85
7	Construction and Completion of Bridge Structures for SH (Km 562.727), Shaktigarh ROB (Km 578.26) and Palsit (Km 581.16) Interchanges.	Gamuda-GCT.(India) Private Limited, Kolkata	Feb-05	1031.16
8	Construction of ROB at Bondel Gate in replacement of level crossing No.3/ST SPL class at KM 4/3-5 at SDAH - BNL section with ancillary works	Eastern Railway (Construction Deptt.), Calcutta	Mar-05	128.17
9	Construction of Major Bridge existing No.31(3x12.2 M. PSC Girders) on 2degree curve & existing Bridge No. 190 (2x18.3 M.PSC Girders) including earthwork on bridge approaches in connection with Bankura-Damodar-River Railway Gauge conversion from NG to BG.	Chief Administrative Officer, Calcutta	Mar-05	209.09
10	Design, Manufacturing and Casting of PSC slab of 9.14 metre span in Railway Yard or other places as nominated by Railway for replacement of existing plate girders for various bridges in LKO & MB division including loading, leading and unloding of same in Railway BRF/Trailor with all contractor's tools, materials, plant & machinery etc. under Dy. CE/BWNR/CB/Lucknow.	Dy. Chief Engineer (BW), N. Rly. Bridge Workshop, Charbag, Lucknow.	Mar-05	269.25

11	Construction of 4 Lane Over-Bridge at Taratala on D. H. Road, Kolkata	Government of West Bengal, Office of the Superintending Engineer, Public Works Department, Kolkata	Mar-06	1281.82
12	Construction of Major Bridges 5x30.5m span through girder and 10x18.3m span composite girder at Chainage 2.725Km (Sukhania river) and Chainage 9.426 km (Dakai River) in connection with construction of New BG line from Mandar Hill to Dumka (Phase - I)	Eastern Railway (Construction Deptt.) Kolkata	Dec-05	339.09
13	Construction of 3 Nos. Grade Separators & 4 Nos. Vehicular Underpasses for Tumkur project.	A. L. Sudershan Construction Company Limited, Secunderabad, A.P.	Nov-06	603.06
14	Construction of Four Road Over Bridges at LC Nos 72, 73, 74, & 75 in Patna (Bihar) including sub-structure, super structure, approaches etc. completed in all respects.	Ircon International Limited, through Nagarjuna Construction Company Ltd.	Mar-07	2,643.00

#### **BUILDINGS & HOUSING PROJECTS**

<b>Sr. No.</b>	<b>Description of work</b>	<b>Name and address of client</b>	<b>Date of completion</b>	<b>Final Contract value (Rs. in lacs)</b>
1	Construction of G+14 storied Building "Tower -I" at Bengal Ambuja Housing Development Ltd. Rajapur, Kolkata	Bengal Ambuja Housing Development Ltd, (Joint sector with West Bengal Housing Board)	Mar-01	315.66
2	Construction of G+14 storied Building "Tower -VIII" at Bengal Ambuja Housing Development Ltd. Rajapur, Kolkata	Bengal Ambuja Housing Development Ltd, (Joint sector with West Bengal Housing Board)	Mar-01	1280.00
3	Building work (G+4 storey ) including Sanetary & Plumbing work at Rajapur Housing Project	West Bengal Housing Board, Kolkata.	Aug-01	264.61
4	Construction of Married Accn. Of 108 Dewlling Unites at Jalandhar Cant.	MES, Chief Engineer, Chandigarh Zone, Chandigarh	Dec-01	202.03
5	Construction of 66 Nos. Officers Flat for State Bank Of India at Raptinagar, Gorakhpur, U.P.	State Bank of India, Regional Office, Lucknow, U.P.	Aug-02	375.00
6	Construction of 74 Nos. of Residential Qtrs. At Raipur	O/O the Executive Engineer PWD, Raipur	Mar-04	1350.00
7	Design & construction of office complex cum Training Center/Guest House etc. of Bharat Petroleum Corporation Ltd at block no. 31 in CIT Scheme No.118 (near Golf Club).	Kolkata Improvement Trust	Dec-04	577.50

9	Construction of Multistoried (G+9) floors building in Court Complex Phase II at Sealdah, Calcutta Including bore pile foundation, structural and steel works, doors, windows, sanitary ,Plumbing, Floor, Roof treatment etc.	Calcutta Metropolitan Development Authority , T. T. Sector	Apr-05	558.82
10	"Revival of Star Theatre" -- Bidhan Sarani, Kolkata.	The Kolkata Municipal Corporation. Planning & Development Dept.	May-06	539.19
11	Construction of centre for computer and communication technology (CCCT), the polytechnic institute at Chisopani, South Sikkim.	Project Director, SPIU, Directorate of Technical Education, Govt. of South Sikkim.	Nov-06	1011.27

#### INDUSTRIAL PROJECTS

Sr. No.	Description of Work	Name and Address of Client	Date of Completion	Contract Value (Rs. in Lacs)
1	Construction of Civil Work, Equipment foundation, Out Door Switch Yard Foundation, foundation of Tank Farm area & internal Roadsect, at 36 MW Heavy Fuel Power Project , Leimakhong, Imphal , Manipur	Simplex Concrete Piles (I) Ltd.	Nov-01	646.00
2	Civil & Structural work at Bihar Caustic & Chemicals Limited for 225 TPD Caustic Soda Membrane cell project at Garhwa Road.	Bihar Caustic & Chemicals Ltd., Palamau, (Jharkhand)	Sep-05	525.00
3	Control room & switch yard at Siliguri.	Bharat Heavy Electrical Ltd./PGCL	Completed	196.96
4	Control room & switch yard at Krishna Nagar.	Bharat Heavy Electrical Ltd./PGCL	Completed	276.44
5	Control room & switch yard at Siliguri.	Bharat Heavy Electrical Ltd./PGCL	Completed	220.58
6	Control room & switch yard at Pingla.	Bharat Heavy Electrical Ltd./PGCL	Completed	58.04

#### PILING AND FOUNDATION PROJECTS

Sr. No.	Description of Work	Name and Address of Client	Date of Completion	Contract Value (Rs. in Lacs)
1	Driven Pile at proposed Law University at Salt Lake, Kolkata	W.B. National University of Juridical Science	Aug-01	334.29
2	Construction of 450 dia driven pile & pile cap , tie beam at Lake view projects at Doomrajala ,Howrah.	West Bengal Housing Board, Kolkata.	Nov-02	354.82
3	Construction of Pile foundation for "Comfort Apartments" at Rajarhat	Bengal Ambuja Housing Development Limited, Calcutta	Jan-03	135.00

4	Construction of Pile Foundation and Substructure between CH. 2690 mtr to CH. 3810 mtr consisting of Cast -in-situ 600 mm dia bored piles, pile caps, trestle columns and trestle beams in connection with extension with from Dum Dum Cantonment Railway Station to N.S.C.Bose Airport.	Metro Railway , Metro Rail Bhavan, Kolkata	Nov-04	596.46
5	Construction and installation of cast-in-situ RCC piles and related works viz. Pile cap, grade beam, flooring slab upto ground level for the multistoried apartment buildings of eastern high housing project of West Bengal Housing Board at New Town Housing	West Bengal Housing Board, Kolkata.	Dec-04	574.25
6	Pile foundation and substructure between ch1689.233m to ch.2437.033m consisting of cast on situ bore piles, pile caps, trestle column and trestle beams.	Metro Railway, Metro Rail Bhawan, Kolkata.	Apr-05	508.03
7	RCC driven piling works for proposed DLF Info city at Rajarhat, New Town, Kolkata.	Shapoorji Pallonji & Co. Ltd., Kolkata	Jun-05	388.75
8	Construction of RCC driven cast - in - situ pile foundation work for software park building at plot - 5, block - DP, sector - 5, Saltlake city, Kolkata - 91.	Infinity Infotech Parks Limited, Infinity, Kolkata	Jul-06	259.48
9	Construction of Driven Pile Foundation works at I.T.Park Project at Rajarhat, Kolkata, (Phase - 1A)	Bengal Unitech Universal Infrastructure Pvt. Ltd., Kolkata	May-06	251.37
10	Construction of Driven Piling works for Uniworld City Horizon Project at Rajarhat, Kolkata.	Bengal Unitech Universal Infrastructure Pvt. Ltd., Kolkata	Jan-06	430.51
11	Construction of VIBGYOR TOWERS, Housing Project at New Town, Action Area – I, Rajarhat, Kolkata (Cast in Situ Driven Pile and RCC Foundation Work)	National Building Construction Corporation Ltd., New Delhi	Apr-07	2,331.86
12	Uni World Project at Rajarhat, kolkata: Piling Work for Phase -4	Bengal Unitech Universal Infrastructure Pvt. Ltd.	Jun-07	353.39
13	Construction of Driven Piling works for Uniworld City Project at Rajarhat, Kolkata Phase 2B	Bengal Unitech Universal Infrastructure Pvt. Ltd.	Mar-07	2,99.73

Out of all the completed projects, our Company has incurred cost over run in the following cases:

<b>Sr. No.</b>	<b>Description of work</b>	<b>Name and Address of Client</b>	<b>Date of Completion</b>	<b>Final Contract Value (Rs. in Lacs)</b>	<b>Cost Overrun (Rs. in Lacs)</b>
1	Construction of Major Rail Bridge (4 nos) connection with new B.G Line of Tamluk - Digha Line.	South-Eastern Railway (Construction Deptt.)	Aug-01	715.07	39.32
2	Construction of major bridges I) Across Kanthi canal at Km. 55.566, ii) Across Pichabani Khal at Km 66.900, iii) Across Sonamayee Khal at Km 70.330.	South-Eastern Railway (Construction Deptt.), Garden Reach, Kolkata	Mar-04	499.85	27.49
3	Civil & Structural work at Bihar Caustic & Chemicals Limited for 225 TPD Caustic Soda Membrane cell project at Garhwa Road.	Bihar Caustic & Chemicals Ltd., Palamau, (Jharkhand)	Sep-05	525.00	18.99

All the above mentioned completed projects have been completed within the stipulated time or the time extended with the consent of our Company and the client.

### **Our Subsidiary**

In the year 1999, our Company entered into an agreement with the Kolkata Municipal Corporation to install, run and maintain the Multi Level Car Parking System in Kolkata on Built Own Operate and Transfer (BOOT) basis for a period of 20 years. However, in the year 2000 the business of Installation, Development, Operation and Maintenance of Multi-level Automated Car Parking Systems was transferred to our wholly owned Subsidiary, Simparks Infrastructure Private Limited. Simparks Infrastructure Private Limited (Simparks) is now engaged in the Installation, Development, Operation and Maintenance of Multi-level Automated Car Parking Systems. This business plan focuses attention on the aspect of alleviation of the problems associated with vehicular parking, the alternate technologies which have replaced the conventional modes of parking resulting in higher ground area utilization. Simparks has established the fully automated multi level car parking system at Kolkata in the year 2001. Another fully automated car parking system at Kolkata, which is below the ground level has become operational from April 2007. Simparks is in the process of launching the semi automated version of the multi level parking systems to cater the demand of private parking space.

### **Location**

Considering the nature of Company's business i.e. construction, the location of project depends upon the contracted site, which usually varies from project to project. We have worked in sixteen states in India .

### **Plant & Machinery**

Our existing Plant and Machinery consist of large fleets of piling and construction equipment like Piling Rigs, Boring Equipment, Modern Batching Plants, Excavators, Dumpers, Cranes etc. We intend to procure various construction equipments through the proceeds of this issue. For details about the Plant & Machinery to be acquired in the proposed project, please refer section titled "Plant & Machinery" beginning on page 42 of this Red Herring Prospectus.

### **Technology**

Our Company is in construction business since 1990 and is having sufficient experience and time-tested technical know how to execute the projects within prescribed parameters. Our Company employs modern construction techniques for carrying out its activities and for modern construction techniques we have entered into technical collaborations with International Collaborations. Our Plant and Equipment resources consist of large fleets of piling and construction equipment like Piling Rigs, Boring Equipment, Modern Batching Plants, Excavators, Dumpers, Crane etc. The details of the collaborations is mentioned below:

## **Technical Collaborations:**

Our Company has entered into following collaboration/agreements:

1. Our Company has entered into a Exclusive Licensing Agreement for Eastern India with Onsite Central Limited, (whose principle place of business is in England) for the use of technology relating to rehabilitation of any type of pipe line works. The agreement also enables our Company to use all Onsite lining products and expertise. The agreement is dated 12<sup>th</sup> December 2006 and is valid for a period of five years. Onsite Central Limited was incorporated in the year 1992 and is having its office at Green Lane, Walstall, WS2 7PD. ,
2. Our Company has entered into a Technology Agreement dated 2<sup>nd</sup> April 2003 with EWW Verenigde Bedrijven B.V., a Limited Company incorporated under the laws of Netherlands, for the purchase of technology, design and drawing package of the “Eco Safe Parking System”. EWW Verenigde Bedrijven B.V id having itd offices atJoan Mouskenweg 32/A, , 1099 CK, Asterdan, Netherland,

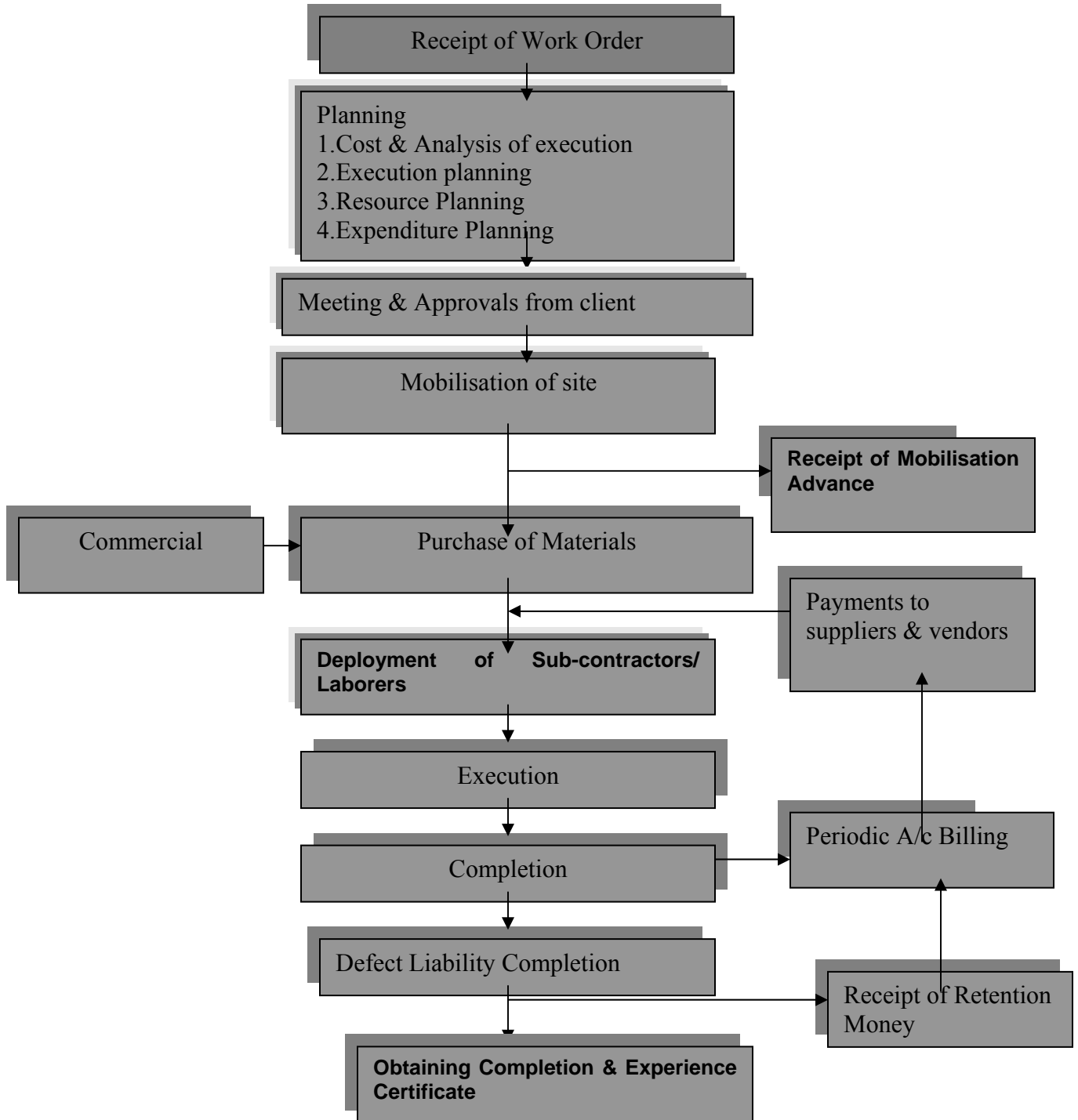
## **Other Collaborations:**

3. Our Company has entered into a Cooperation Agreement with Ballast Nedam International Projects BV, Netherlands dated 19<sup>th</sup> April 2005, for the purpose of prequalifying, submitting a tender and execution of the project in conjunction of this Cooperation Agreement. Ballast Nedam International Projects BV is subsidiary of Ballast Nedam NV a Netherland Based Listed company which was incorporated in year 1974. . Ballast Nedam International Projects BV was incorporated on August 12, 1974 is having its offices at Ringwade 1, 3439 LM , Nieuwegin , The Netherlands, Ballast Nedam International Projects BV is a project contractor.
4. Our Company has entered into a Memorandum of Understanding dated 1<sup>st</sup> February 2007 with Wannas Enterprises L.L.C., Sultanate of Oman for setting up a Joint Venture Company in the Sultanate of Oman for carrying out construction activities there. Wannas Enterprises L.L.C is having its office at P.C. 319, Sultanate of Oman and is involved in tourism project, Infrastructure Projects , Airports and Industrial Projects,
5. Our Company has entered into a Joint Venture Agreement dated 20<sup>th</sup> February 2007 with M/s Adonis Enviro Geosynthetics & Geoengineers, Kolkata for technical support for carrying on Engineering and/or Contract Works, in connection with “Protection to the bank of river Bhagirathi at Mouza, Agradip, P.S. Katwa, Distt. Burdwan”.

## **Process**

The process in construction starts from the stage of tendering and ends at the completion of project. Once our Company receives the tender from the prospective client, a survey is conducted at the proposed site by a team of engineers, as regards to availability of basic amenities near the site, availability of labour, distance from the sources of material and other related factors. On the basis of the survey and keeping in view factors such as site conditions, time schedule and other terms and conditions of the contract, the value of the contract is estimated and tendering is done. Once the contract is awarded to our Company, a project team is constituted to execute the work as per the conditions of the contract. The Team Head procures the relevant drawings and other details of the project from the consultant appointed by the client and based on that the team selects the labour agencies, employs direct labour, plans purchasing of material, arranges for deployment of labour, arrangements for labour hutments and staff quarters etc. and makes necessary arrangement for machines, power and water. The actual construction process begins with soil testing and includes land development, road, development, masonry, concrete reinforcing, mixer operations, plumbing, plaster work, finishing etc. Each stage of construction activity is closely monitored for quality and timely execution of work. Our Company also has a separate quality control department, which supervises and ensures the quality of the work done. The work done by our Company is duly certified by an independent architect approved by the clients and interim payments are released to our Company on this basis. After completion of the entire project, the bills are settled after deducting the retention money.

## PROCESS FLOW CHART FOR EXECUTION OF PROJECTS





## **Infrastructure Facilities**

### **Raw Materials**

Major raw material required for our Company's activities in the construction field are as under:-

1. Cement
2. Steel Rods, Pipe, Sheets, Angles, Round, bearings, shuttering and wire ropes steel etc.
3. Bricks, Tiles
4. Morram/sand/soil/agregates
5. Wood
6. Plumbing & Sanitary Fittings
7. Hardware Fittings
8. Roofing

Our Company follows a centralized purchase system for steel, cement, bearings, shuttering and wire ropes steel through its purchase department. In case of steel, cement and other higher value material requirements are project specific and our Company generally enters into a Memorandum of Understanding with major steel suppliers to ensure both the availability and timely delivery of materials in order to meet project schedule. However as aggregate is a critical raw material and is required in big quantities for our Company puts up capital facility to manufacture the same. Metal, river sand, and block masonry are project specific and sourced at a location nearest to the project site. Most of the raw materials/consumables are easily available. The contract terms may mention escalation clauses, which take care of price variations for our raw material requirements.

The basis for the raw material requirements are determined by the total orders received for projects. The yearly execution plan of the outstanding orders at the beginning of the financial year determines our annual requirement of raw material. This requirement is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply. Our Company issue orders on a rolling plan, which can be adjusted for changes in actual requirement on a quarter-to-quarter basis.

For some of the projects, our Company is required to purchase specific equipments and components, which are key inputs for project implementation. These are called bought outs. This may include but not be limited to metal beam crash barrier, gabions, road marking signboards and gantry-mounted signboards etc. Majority of the bought outs are technology specific. Our Company normally enters into pre tender tie-ups for the same with suppliers. As the project defines the list of bought outs which may vary from project to project, the above mentioned items do not form a comprehensive list of bought outs. Equipments are procured as per the need of the Organization and particular project.

### **Utilities**

The main utilities required in construction activity are:

#### **Power**

The construction projects are not power intensive. Power is required at site for running various machineries and equipments and also for lighting. Generally power requirement is met at site through normal distribution channel and is generally provided by clients. However, if need arises, Company uses D.G Set to meet power requirements. Power requirement of our Company varies at each stage of project and depends upon the size and nature of the project.

#### **Fuel**

The fuel required to operate D.G. Sets and certain heavy equipment is usually met locally.

#### **Water**

Our Company meets its water requirement largely by digging tube wells at project sites. The cost of utilities is taken care under job charges and administration and other miscellaneous expenses.

**Manpower**

As on 31<sup>st</sup> May 2007 we have 219 permanent employees, which comprise of the following:

Description	No. of Employees
Managerial Cadre	29
Officers	99
Clerks/Supervisors	84
Workers	7
<b>Total</b>	<b>219</b>

Our Company also engages contract labourers, which are hired from regular labour contractors who meet requisite statutory requirements.

The existing manpower is though sufficient to handle the estimated growth of our Company, it may change from time to time as per the need of the project. Besides, most of the labour requirements at construction sites are met through petty contractors.

**Past Production Figures for the Industry**

The construction industry is highly fragmented and is dominated by large number of unorganized players. There are no published data available to our Company for past production figures, existing installed capacity, past trends and future prospects regarding exports, demand & supply forecasts.

**Products / Services of our Company**

Our Company is engaged into diversified construction activities which comprise of following:

- Piling and Foundations
- Civil construction projects, which include structures such as commercial and residential complexes, mass housing projects, townships, industrial structures;
- Transportation engineering projects including bridges, flyovers, underpasses, road projects; and
- Irrigation, Water supply and Sewerage Schemes.
- Installation and operation of Multi Level Car Parking Systems

Our Company is providing its services to various Public Sector Undertakings, Private Sector Business Groups and Central Public Works Department. Our public sector clients who have awarded us contract include National Building Construction Corporation Limited, New Delhi, Eastern Railways, Konkan Railway Corporation Limited, East Central railway, North East Frontier Railway, IRCON International Ltd. BHEL, State Bank of India, UCO Bank, CPWD and various state PWDs. The clientele under private sector who have awarded us contract include construction companies viz. L&T (ECC), Shapoorji & Pallonji, Nagarjuna Construction. Some of the companies in the real estate and IT & ITES sectors for who have awarded us contract include DLF, Unitech, Bengal Ambuja, Bengal Peerless, Godrej, Infinity Infotech Parks Limited, Wipro. The market for our Company's service i.e. construction is directly linked with the economic development in the country, as construction is the key step for any development. In other words, more economic development results in more construction.

**Competition**

The construction industry is quite competitive. Our Company faces competition from number of other players in the industry. The award of contracts depends on successfully bidding the tenders. The tendering involves two-tier process. Firstly, the prospective bidders have to qualify technical bids. Only after qualifying the technical bid, the prospective bidders can participate in financial bid. This process of pre-qualification in technical bid wards off our Company from unhealthy competition from small players who are unable to qualify technical bid. Further, the key success factor in qualifying the financial bid is cost competitiveness and our Company has been able to sustain in the competition due to its competitive financial strength, technical competency and low overheads. As on 31<sup>st</sup> March

2007 our Company is having the Net Worth of Rs. 5045.26 lacs , which allow our Company to bid for and undertake higher value projects. We also have cash credit limits sanctioned from various banks which helps us in meeting our working capital requirements during the execution of the projects. Our Company employs modern construction techniques for carrying out its activities and for modern construction techniques we have entered into technical collaborations with International Collaborators. Our Plant and Equipment resources consist of large fleets of piling and construction equipment like Piling Rigs, Boring Equipment, Modern Batching Plants, Excavators, Dumpers, Crane etc. Use of latest technology and owned construction equipments results in achieving the quality results with low overheads. Due to industry's fragmented nature, there is no authentic data available to our Company on total industry size and market share of our Company vis-à-vis the competitors.

### **Approach to Marketing and Marketing Set-up.**

Construction contracts for infrastructure works in India are substantially offered by the government sector that is Central government and the state governments. Funds for these are allocated through their budgetary support as well as through international and domestic financial institutions. Public Sector Undertakings and Government Departments invite tenders through public notice. Our Company obtains tender document from Public Sector Undertakings/Government Department on the basis of such public notice and has been doing so.

In addition to this, construction contracts are also offered by the private sector which follows a similar practice with regard to taking decision on capital construction works i.e. issue of tender notice for pre qualification followed by bids from pre-qualified contractors and finalization of contract with the lowest bidder. To procure contracts from Private Clients, our Company on continuous basis collects market information and makes presentation to Architects/Consultants. Our Company's greatest strength have been in bagging repeat orders from its reputed existing client base, particularly in private sector. Our Company's past track record and its association with Architects/Consultants during last one and half decade of its existence also helps it to get contracts.

Our Company adopts direct marketing approach. It has set-up a separate full-fledged Tender Department to procure Contracts. The Tender Department is headed by Vice President Projects and is supported by his subordinates considering the importance and sensitive nature of the Department.

### **Our Strengths**

#### **1. Our experience and track record**

With over 15 years of experience that our Company has gained in the construction industry, we have become one of the significant players in Eastern and North Eastern India with, a reputation for quality work and timely construction. We have received ISO 9001:2000 certification on 11.12.2006 for the quality management system that we apply to the construction of civil engineering projects.

Further, our Promoter Mr. Balkrishandas Mundhra has over 35 years of experience in the construction industry. He was in the board of directors of the family flagship unit Simplex Concrete Piles (India) Limited (now Simplex Infrastructure Limited). He joined the board of Simplex Concrete Piles (India) Limited in the year 1986. Under his vision and leadership our Company has acquired immense reputation as an construction and engineering company.

Our experience, among other factors, enables us to pre-qualify for a greater number of potentially higher-margin projects

#### **2. Ability to undertake projects both on turnkey and design-build bases**

In addition to routine construction projects which are generally on contractual basis as per the design and specification provided by the clients, we also undertake projects on a turnkey basis, in which we provide a range of specialized construction and operational services including design-build services to clients in various segments. Our experience in executing turnkey and design-build projects demonstrates our ability to provide a variety of services to clients and, accordingly, enables us to pre-qualify for projects in which clients seek contractors who can provide turnkey or design-build solutions.

### **3. Specialization in Piling and Foundations**

In the previous years our Company has completed various piling projects. Over a period of time piling has become our specialization. A pile is a special type of foundation that enables a structure to be supported by a layer of soil found at any depth below the ground surface. Piles are used when the soil near the ground surface is not strong and the weight of the structure must be carried by deeper soil layers. We have completed more than 10,000 nos. of driven pile for National Buildings Construction Corporation Limited, Godrej Properties Limited and Bengal Unitech Limited. Our specialization in piling has helped us in getting regular orders from our clients and customers.

### **4. Specialization in Multi Level Car Parking Systems**

Our wholly owned Subsidiary, Simpark Infrastructure Private Limited (Simpark) is engaged in the Installation, Development, Operation and Maintenance of Multi-level Automated Car Parking Systems. With the rising population of on-road vehicles, parking problem is assuming enormous proportions in urban areas. Simpark has established the fully automated multi level car parking system at Kolkata in the year 2001. Another fully automated car parking system at Kolkata, which is below the ground level has become operational from April 2007. Multi Level Car Parking system is classified as an infrastructure project whereby we are entitled for benefit under section 80IA of the Income Tax Act, 1961. Being among the first few players dedicated to the Automated Parking Systems provide us the confidence to win and execute the Multi Level Automated Car Parking Systems projects.

### **5. Large fleet of latest construction equipment**

Our Plant and Equipment resources consist of large fleets of piling and construction equipment like Piling Rigs, Boring Equipment, Modern Batching Plants, Excavators, Dumpers, Crane and many more. We believe our fleet of piling equipments is among the largest in Eastern India. We believe that having such an asset base is essential for us to serve the technically challenging and diverse nature of the construction projects in which we are engaged.

### **Our Strategy**

Our strategic objective is to continue to improve on and consolidate our position as a engineering and construction company by adopting latest technologies in civil and engineering construction in India. We intend to achieve this by implementing the following aims:

- **Quality Construction and Timely Completion**

Our Company is dedicated towards quality of construction and timely completion. We get repetitive orders from our clients, as we have met their quality standards and were able to complete the projects in time. This has created our image and brand in the market. We have received ISO 9001:2000 certification for the quality management system that we apply for the execution of our projects. We intend to maintain our quality standards through constant upgradation of techniques.

- **Investing In Advanced Technology**

The technology used in construction engineering is continuously changing. New technologies are constantly being developed for the various processes involved in the construction. We have invested in newer techniques, Plant & Machinery and intend to continue upgrading our technology in the future in the field of integrated engineering and construction services for civil & Structural construction and infrastructure sector projects. We also propose to invest Rs. 1,387.76 Lacs into plant and machinery out of the proceeds of this issue.

- **Consolidate position in infrastructure space**

We believe that infrastructure will be a major driver for growth in the Indian construction industry in the foreseeable future due to increased levels of government and private industry investment in infrastructure. Additionally, the government has taken steps to encourage additional investments in infrastructure in various parts of India and providing economic benefits to private sector participants for projects executed on a BOT or annuity basis. Thus, there will be numerous opportunities for infrastructure creation. In anticipation of the trend toward increased infrastructure investment, we have developed skill sets across a diverse portfolio of infrastructure projects in recent

years, including roads, bridges, flyovers, water supply projects and industrial constructions. Our wide ranging experience in the infrastructure segment has given us an ability to bid for, pre-qualify and execute diverse infrastructure projects. We intend to bid for and secure more complex and profitable infrastructure projects, as well as continue to focus on those types of infrastructure projects that are within our core competence. We also intend to expand our operations to other types of infrastructure projects, such as residential and group housing, IT Parks etc.

- **Continue to build-up a professional organization**

We believe in transparency, flow of information, and commitment to the work among our work force and with our valuable customers, suppliers, investors, government authorities, banks, financial institutions etc. Over a period of time, we have been able to build-up an image that can be matched with our peers. We have always stressed on the technical competency of our employees. We have employed civil engineers for taking care of our ongoing projects. They also provide on job training to our other construction staff. For taking care of accounts and finance related matters we have employed CAs and ICWAs. We also consult with outside agencies on a case to case basis. We have a team of professionals and technocrats to look after various stages of construction activities. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

- **Continue to focus on Multi Level Car Parking Systems**

Our Subsidiary, Simpark has established the fully automated multi level car parking system at Kolkata in the year 2001. Another fully automated car parking system at Kolkata, which is below the ground level has become operational from April 2007. Simpark is in the process of launching the semi automated version of the multi level parking systems to cater the demand of private parking space. We propose to purchase six prototype Parking Units for the setting up of model systems at various strategic locations in certain metropolitan cities. These model systems would facilitate Simpark to manufacture the Semi Automated Parking Systems and would also facilitate its prospective clients to have a first hand experience of the Parking Systems. We also intend to promote and market these parking systems to various government and private agencies looking for parking solutions.

## **FUTURE PROSPECTS**

The default beneficiaries of the infrastructure boom are the Companies engaged in infrastructure activities. It is believed that recently witnessed momentum in the construction industry is a sign of correction in dormant infrastructure investment in the past. Broad based infrastructure spend going forward, is likely to keep construction sector momentum going.

Continuing the trend of rapid growth, the order book position has further improved. Our current order book position is in excess of Rs. 29000 lacs. Our Company is confident of maintaining the pace of its growth, as it operates in diverse areas of construction industry and its activities encompass major sector of infrastructure.

## **CAPACITY & CAPACITY UTILIZATION**

Our Company is operating into construction industry, which can be termed as a service sector. The nature of construction industry prohibits it from reasonably ascertaining installed capacity and therefore capacity utilization. Hence existing installed capacities and capacity utilization for past three years and next three years are not being given.

## **EXPORT POSSIBILITIES AND EXPORT OBLIGATIONS, IF ANY**

Currently, we do not have any export obligations.

## **INSURANCE**

Our Company has taken following policies.

**Work Site related Insurance Policies:**

Sr. No.	Address of the Site	Type of Insurance / Description	Policy No.	Sum Assured	Period Upto
1	C-171, NBCC Ltd., New Market	Contractor's All Risks Insurance Policy	5004/0001507	Rs. 824.95 Lacs	31 <sup>st</sup> July 2007
2	C-172, NBCC Ltd., Laxmi Market	Contractor's All Risks Insurance Policy	101900/44/05/5600000064	Rs. 908.56 Lacs	31 <sup>st</sup> July 2007
3	IRCON International Ltd., Rajpath, Patna and Nagarjuna Construction Co. Ltd., Mehraul, Gurgaon	Contractor's All Risks Insurance Policy	ENG/2006/47/CAR	Rs. 8,882.09 Lacs	9 <sup>th</sup> July 2007
4	NBCC, Rajarhat	Contractor's All Risks Insurance Policy	2007/26	Rs. 2,331.87 Lacs	17 <sup>th</sup> March 2008
5	L&T, Kolkata	Contractor's All Risks Insurance Policy	2008/19	Rs. 354.13 Lacs	22 <sup>nd</sup> July 2008
6	NBCC, Gangtok	Contractor's All Risks Insurance Policy	311500/0/1579/ENGG/2007/55/CAR	Rs. 1,694.67 Lacs	11 <sup>th</sup> September 2008
7	Unitech Hi-Tech Structures Limited, Saket, New Delhi	Contractor's All Risks Insurance Policy	MIS/2008/23/CAR	Rs. 435.74 Lacs	3 <sup>rd</sup> November 2007
8	NBCC, Pragati Vihar, New Delhi	Contractor's All Risks Insurance Policy	MIS/2008/22/CAR	Rs. 1,793.80 Lacs	3 <sup>rd</sup> December 2009

**Equipment Insurance:**

Sr. No.	Description	Type of Insurance	Policy No.	Sum Assured	Period Upto
1	Pile Driving and file extracting equipments including Winch, Drum, Wire Ropes, Rollar, Tube Engine.	Contractor's Plant and Machinery Insurance	2007/62	Rs. 79.30 Lacs	30 <sup>th</sup> March 2008
2	Pile Driving and file extracting equipments including Winch, Drum, Wire Ropes, Rollar, Tube Engine, 370 Leyland Engine, Battery Radiator, Chut-Cart Road Timber	Contractor's Plant and Machinery Insurance	2007/44	Rs. 55.30 Lacs	18 <sup>th</sup> December 2007

**Vehicle Insurance:**

Number of Policies	Sum Assured
24	Rs. 107.81 Lacs

**Employees and Staff Related Insurance:**

Sr. No.	Description	Type of Insurance	Policy No.	Sum Assured	Period Upto
1	All Staff	Group Mediclaim	2007/2857	Rs. 219.25 Lacs	25 <sup>th</sup> September 2007
2	All Staff	Group Personal Accident	2007/217	Rs. 222.75 Lacs	8 <sup>th</sup> September 2007
3	Labour of All sites	Workmen's Compensation	2007/49	Rs. 15.00 Lacs	22 <sup>nd</sup> March 2008

**Cash in transit Policies:**

Sr. No.	Type of Insurance	Policy No.	Sum Assured	Period Upto
1	Cash Insurance	2007/3206	Rs. 25.00 Lacs	2 <sup>nd</sup> November 2007
2	Cash Insurance	2007/1743	Rs. 70.00 Lacs	20 <sup>th</sup> July 2007

**PROPERTY**

Our Company does not propose to purchase any property consideration for which is to be paid for wholly or partly out of the proceeds of the issue.

**1. Details of immovable property, occupied by our Company at New Delhi**

One immovable property in the nature of building held in the name of our Company, details are as follows:

Details of Agreement/ Deeds	Description of Premises	Consideration
Deed of Sale/ Agreement made and entered into on the 15 <sup>th</sup> December, 1998 between Ms. Kalpana Chowdhary (the "Vendor") and The Company (the "Purchasers").	Premises bearing No. 405, Mansarovar, 90 Nehru Place, New Delhi - 110019, admeasuring about 635 square feet.	Rs.16.80 Lacs-

**2. Details of Lease/Leave and License Agreements entered into by our Company with third parties for property .**

Sr. No.	Party	Agreement Particulars	Description	Agreement Date	Rent/Charges Paid during F.Y. 2007
1.	Kirti Vinimay Private Limited	Facility Agreement	Godown/Yard at Jalan Industrial Park Dhulagori	10 <sup>th</sup> March, 2005	Rs. 0.90 lac
2.	Datson Exports Limited	Leave and License	Registered Office	15 <sup>th</sup> February 2003 and extension letter dated 1 <sup>st</sup> April 2006	Rs. 0.31lac

## KEY INDUSTRY REGULATIONS

Our Company is in the business of undertaking and executing infrastructure and other construction projects in the construction industry in India. Our Company is subject to certain statutory regulations in India.

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

*The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out 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.*

### **National Highways Act, 1956 (“NH Act”)**

The Central Government is responsible for the development and maintenance of national highways. The NH Act empowers the Central Government to enter into agreement with any person for development and maintenance of national highways. The person may be an individual, partnership firm, company, joint venture, consortium or any other form of legal entity, Indian or foreign, capable of financing from own resources or funds raised from financial institutions, banks, open market etc., designing and building the project and operating and maintaining it, collecting fee from users during an agreed period which together with construction period is termed as concession period. Upon expiry of the concession period, the right of the person to collect the fee and his obligation to operate and maintain the project will cease and the facility will stand transferred to the Central Government.

The Central Government may declare a highway as a national highway and acquire land for such purpose. The Central Government may, by notification declare its intention to acquire any land when it is satisfied, that for a public purpose the building, maintenance, management or operation of a national highway, on such land, should be undertaken. The NH Act prescribes the procedure for the same.

The National Highways (Collection of Fees by any Person for the use of Section of National Highways/Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997 provides for the Central Government to enter into agreements with persons for development and maintenance of the whole or part of a national highway/permanent bridge/ temporary bridge on a national highway. Such person may invest his own funds for development or maintenance and is in turn allowed to collect and retain fees, from users of the new facilities so created, at agreed rates for an agreed period of time. The rates of fees and the period of collection are decided by the Central Government and various factors are taken into account to decide the same. Once the period of collection of fees by the person is completed, all rights pertaining to such facility created would be deemed to have been taken over by the Central Government.

### **National Highways Authority of India Act, 1988 (“NHAI Act”)**

The NHAI Act constituted the National Highways Authority of India (“NHAI”). The NHAI, an autonomous body, is responsible for the development, maintenance and management of national highways and for matters connected or incidental thereto. The NHAI became operational in February 1995 with the appointment of full time Chairman and other Members. The NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. In an effort to provide for additional financing of its projects, the NHAI has taken measures to attract both foreign and domestic private investments, by offering to enter into BOT contracts for construction and maintenance of national highways for a period not exceeding 30 years.

The bidding for the projects takes place in two stages as per the process provided below:

1. In the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and
2. In the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

Where projects are funded by multilateral funding agencies such as the World Bank or the Asian Development Bank, the selection process takes place in consultation and concurrence with the funding organization. Wide publicity is given to NHAI tenders so as to attract attention of leading contractors and consultants. Notice inviting tenders is posted on the web site of the NHAI and published in leading newspapers. Private sector participation in the road sector is encouraged by the government by undertaking the following initiatives:



1. The government ensures that all preparatory work including land acquisition and utility removal is completed before awarding of the project;
2. Land acquired is made available free from all encumbrances;
3. NHAI / government may provide a grant up to 40% of project cost to enhance viability on a case to case basis;
4. The government also provides tax breaks in the form of 100% tax exemptions for a period of 5 (five) years from the start of operations of the project and 30% relief for next 5 (five) years thereafter. This tax concession is normally available for a period of 20 years from the date of sanction of the project;  
and
5. Duty free import of specified modern high capacity equipment for highway construction.

### ***Environmental Regulations***

Infrastructure projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 (“**Water Act**”), the Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”) and the Environment Protection Act, 1986 (“**Environment Act**”). The Water Act establishes an institutional structure for preventing and abating water pollution and provides for the constitution of a Central Pollution Control Board (“**CPCB**”) and State Pollution Control Boards (“**SPCB**”). The Water Act debars 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 CPCB and the SPCB.

The Air Act provides for the control and abatement of air pollution. The Air Act mandates that no person can, without the previous consent of the SPCB, establish or operate any industrial plant in an air pollution control area. The SPCB and CPCB constituted under the Water Pollution Act are also to perform functions as per the Air Act for the prevention and control of air pollution.

The Environment Act empowers the Central Government to take all such measures in order to protect and improve the environment and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds, by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and also framing rules for regulating emission of pollutants into the environment. In addition, the Ministry of Environment and Forests mandates that an Environment Impact Assessment be undertaken to assess the environmental impact of a project before granting clearances to the projects. The Forest (Conservation) Act, 1980 prevents state governments from issuing any directive towards conversion of forest land, in any manner, for non-forest purposes without the approval of the Central Government.

### ***Labour Legislations***

The primary central labour-related legislations with which compliance is required include the Payment of Wages Act, 1956, the Minimum Wages Act, 1948, the Employees Provident Funds & Miscellaneous Provisions Act, 1952, Workmen’s Compensation Act, 1923, Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, and the Contract Labour (Regulation and Abolition) Act, 1970.

### ***Shops And Establishments Legislation***

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### ***Laws Regulating Transfer of Property:***

#### ***Transfer of Property Act, 1882***

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act, 1882. The Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

***Registration Act, 1908.***

The Registration Act, 1908 (“Registration Act”) has been enacted with the object of providing public notice of the execution of documents affecting a transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. An unregistered document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

***The Indian Stamp Act, 1899.***

There is a direct link between the Registration Act and the Indian Stamp Act, 1899 (“Stamp Act”). Stamp duty needs to be paid on all documents which are registered and the rate varies from state to state. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein.

***The Easements Act, 1882.***

The law relating to easements is governed by the Easements Act, 1882 (“Easements Act”). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

**STATE LAWS:****Urban Development Laws**

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made thereunder and require sanctions from the government departments and developmental authorities at various stages.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **OUR HISTORY AND BACKGROUND**

Our Company was incorporated as Simplex Projects Limited under the Companies Act, 1956 on 31<sup>st</sup> October, 1990 in the state of West Bengal and registered with the Registrar of Companies, West Bengal vide Certificate of incorporation number 21- 050101 with its Registered Office situated at 12/1, Nellie Sengupta Sarani, Kolkata-700087. The Certificate of Commencement of Business was obtained on 6<sup>th</sup> December, 1990 and the operations were started in the year 1992. There is no change of name since incorporation till this date. The Promoters of our Company are three natural persons and four companies. The natural persons who are our Promoter are Mr. Balkrishandas Mundhra, Mr. Raghav Das Mundhra and Mr. Sudarshan Das Mundhra. The companies, which are our Promoters, are Simplex Fiscal Holdings Private Limited, Kirti Vinimay Private Limited, Pioneer Engineering Company Private Limited and Bharat Gypsum Private Limited.

Our Company was initially promoted by Late Mr. Madhudas Mundhra along with his three sons viz. Mr. Bithaldas Mundhra, Mr. Shreemohandas Mundhra and Mr. Balkrishandas Mundhra in the year 1990 as part of the Simplex Group with Simplex Concrete Piles (India) Limited (Currently known as Simplex Infrastructures Limited) as the flagship of the Group. Our Company started business by taking projects on subcontract basis from Simplex Concrete Piles (India) Limited (Currently known as Simplex Infrastructures Limited) and moved further by taking contracts directly.

Soil and Foundation Engineers Private Limited, which was also the part of Simplex Group, was incorporated on 1<sup>st</sup> April 1991 and registered with the Registrar of Companies, West Bengal with its registered office situated at 12/1, Nellie Sengupta Sarani, Kolkata-700087. Soil and Foundation Engineers Private Limited was engaged in the business of construction of pile and pile foundations, buildings and bridges. Further, to synergize the operations and considering the similar nature of business, Soil and Foundation Engineers Private Limited was amalgamated with our Company with effect from 31<sup>st</sup> March 1994, in pursuance of the orders dated 24<sup>th</sup> April 1995 by the Hon'ble High Court of Kolkata.

In the year 2002, there was a division between the three brothers viz. Mr. Bithaldas Mundhra, Mr. Shree Mohandas Mundhra and Mr. Balkrishandas Mundhra. As a result of this separation, our Company came under the control of Mr. Balkrishandas Mundhra along with his two sons viz. Mr. Raghav Das Mundhra and Mr. Sudarshan Das Mundhra.

Our Company, under the aegis of Mr. Balkrishandas Mundhra, started actively participating in the various government and private sector projects. The scope of the project for which our Company used to bid was expanded and we started bidding for diversified projects ranging from Multi-storied Buildings, Group Housing complexes, Industrial complexes. Currently we have become a well diversified construction company and the activities ranged from Piling, which is the niche segment of our Company, to other civil constructions, which included Buildings, Bridges & Flyovers, Factory and Industrial Structures. The turnover of our Company in the year 2000-2001 was Rs. 3,397.35 Lacs with the PAT of Rs. 72.10 Lacs. During the year 2006-2007 our turnover has increased to Rs. 13575.71 Lacs and PAT has increased to Rs. 1049.21 lacs

In the year 1999, our Company entered into an agreement with the Kolkata Municipal Corporation to install, run and maintain the Multi Level Car Parking System in Kolkata on Built Own Operate and Transfer (BOOT) basis for a period of 20 years. However, in the year 2000 the business of Installation, Development, Operation and Maintenance of Multi-level Automated Car Parking Systems was transferred to our wholly owned Subsidiary, Simpark Infrastructure Private Limited. Simpark has established the fully automated multi level car parking system at Kolkata in the year 2001. Another fully automated car parking system at Kolkata, which is below the ground level has become operational from April 2007. Simpark is in the process of launching the semi automated version of the multi level parking systems to cater the demand of private parking space.

## Our Milestones

Sr. No.	Major Event	Year
1.	Year of Incorporation.	1990
2.	First commercial operation.	1992
3.	Merger of Soil & Foundation Engineers Private Limited.	1994
4.	Housing Project for Simplex Concrete Piles (India) Limited on behalf of CGEWHO at Kaikhali in Kolkata on turnkey basis.	1996
5.	Introduction of Tunnel shuttering Technology in our projects.	1997
6.	Awarded Metro Rail Project at Chennai, Tamil Nadu.	1998
7.	Awarded office complex project of BPCL at Prince Anwar Shah Road by Calcutta Improvement Trust.	1999
8.	Awarded Rail bridge at Digha-Tamluk by South Eastern Railway-Value Rs.16.00 crores.	2000
9.	Revival of Star Theatre at Kolkata awarded by Calcutta Municipal Corporation.	2002
10.	Awarded 12 nos. of Rail Bridges by Konkan Railway Corporation Limited in various parts of Jharkhand state – value over Rs.70.00 crores.	2003
11.	Awarded Flyover Project at Taratala, Kolkata by Public Works Department.	2003
12.	Annual Turnover crossed Rs.6000 Lacs.	2004
13.	Awarded Road & Rail Over Bridge by M/s. Nagarjuna Construction Company Limited – value Rs.88.82 crores at Patna.	2005
14.	Completed more than 10000 nos. of driven pile for National Buildings Construction Corpn. Ltd., Godrej Properties Limited and Bengal Unitech Limited.	2006
15.	Awarded ISO 9001 by Kvalitet Veritas Quality Association Ltd.	2006

## Changes in the Registered Office of our Company

The registered office of our Company is situated at 12/1, Nellie Sengupta Sarani, Kolkata-700 087 and since incorporation there has not been any change in the Registered office of our Company.

## Changes in the Memorandum of Association of our Company

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

Sr. No.	Changes	Date	Type of Meeting
1	Increase in authorized share capital from Rs. 50,00,000 to Rs. 1,00,00,000	15.05.1995	EGM
2	Increase in authorized share capital from Rs. 1,00,00,000 to Rs. 1,50,00,000	02.03.1998	EGM
3	Increase in authorized share capital from Rs. 1,50,00,000 to Rs. 1,75,00,000	13.11.2000	EGM
4	Increase in authorized share capital from Rs. 1,75,00,000 to Rs. 2,00,00,000	14.03.2005	EGM
5	Increase in authorized share capital from Rs 2,00,00,000 to Rs. 11,00,00,000	11.03.2006	AGM
6	Increase in authorized share capital from Rs. 11,00,00,000 to Rs. 12,00,00,000	10.06.2006	EGM
7.	Increase in authorized share capital from Rs. 12,00,00,000 to Rs. 15,00,00,000	15.12.2006	EGM

## **Our Main Objects:**

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

- (1). To carry on the business as Builders, general construction contractors, Engineers, Consultants and hauliers and among other things to construct, execute, equip improve on trunkway basis and otherwise and to carry out foundation work, houses, buildings, commercial complex, projects, railways, roadways, tramways, docks harbours, wharves, canals, reservoirs, embankments, tunnels, irrigations, power projects, reclamations, sewage, drainage, sanitary works, water, gas, electric & other industrial construction and to carry on any other business in connection with the abovementioned business including cooling towers, fire fighting systems, water/effluent/sewage treatment and other pollution control works and to carry out work of soil testings and ground improvement and to carry on business as manufacturer, dealer, importer, exporter of materials, components consumable etc. required in abovementioned businesses.
- (2). To carry on business or housing finance company and for this purpose, finance acquisition, construction of house including acquisition, development of plots of land in connection therewith and acquire right, title and interest in immovable properties and commercially exploit the same with or without modification, alteration, improvement, addition or re-construction in such manner as may be deemed expedient and to deal the same by sale, lease, or otherwise and to purchase or otherwise acquire and to sell, exchange, surrender, lease mortgage, charge, convert, turn to discount, dispose of, and deal with property and rights of all kinds and to carry on and undertake business of hiring or leasing equipments, furniture and fixtures for the said purpose.
- (3). To acquire by purchase, lease, exchange, hire or other wise develop or operate land, buildings, any estate or interest in and hereditaments of any tenure or description including agricultural land, mines, quarries, farms, gardens and any estate or interest therein, and any right over or connected with land and buildings so situated and construct, develop or to turn to the same to account as may seem expedient and in particular by preparing building sites, flats, houses, apartments, commercial complexes by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining offices, rooms, flats, houses, restaurants, markets, shops, workshops, mills, factories, warehouses, cold storages, wharves, godowns, hotels, hostels, gardens, swimming pools, play-grounds, buildings, works and conveniences of all kinds and selling leasing, hiring, otherwise deal with or disposing of the same and to manage land, building, and other properties, whether belonging to the Company or not, and to collect rents and income, and to supply tenants and occupiers, and others refreshments, attendance, light, waiting rooms, reading rooms, meeting rooms, electric and other conveniences commonly provided in flats, suites and residential and business units and to act as architects, consultants, designers, developers builders, contractors, estate agents, merchants and dealers in building requisites and materials.
- (4). To carry on business as advisers and/or consultants on matters and problems relating to the import, export, industries, administration, management, organisation, accountancy, costing, financial, marketing, commercial or economic activities, labour, statistical organization, methods, quality control and data processing, technical "Know-how," operation, manufacture, production, storage, distribution, sale and purchase of goods, property and other activities of and in relation to any business trade, commerce, industry mine, agriculture, housing or real estate and upon the means, methods and procedure for the establishment, construction, development, improvement, and expansion of business, trade, commerce, industry, agriculture, buildings, real estates, plant or machineries and all systems methods, techniques, processes, principles in relation to the foregoing and to carry on business of rendering services on any one or more of aforesaid matters to any person firm, company, trust, association, institution, society, body corporate, government or government department, public or local authority or any other organization whatsoever, to act as intermediaries in the introduction of collaborators, sellers, purchasers, printers, tenants, agents, consumers and employees.
- (5). To purchase, acquire, hold and dispose of or otherwise deal and invest in any shares, debentures and other securities in or of any company or companies and to act as investors, guarantors, underwriters, financiers to industrial enterprises either out of its own funds or out of funds that the Company might borrow by issue of debentures of from bankers or otherwise howsoever in any other manner whatsoever.

**Subsidiaries of Our Company**

We have a wholly owned subsidiary company namely Simpark Infrastructure Private Limited. For further details, please refer section titled “Our Subsidiary” appears on page 163 of this Red Herring Prospectus.

**Shareholders’ Agreement**

Our Company does not have any subsisting shareholder’s agreement as on the date of filing of this Red Herring Prospectus.

**Other Agreements**

Except as mentioned under title “Our Business” page 75 of this Red Herring Prospectus there are no other material agreements or contracts, which have been entered into other than normal course of business within a period of two years prior to the date of this Red Herring Prospectus, which are subsisting as on date.

**Strategic Partners**

Presently, our Company does not have any strategic partners.

**Financial Partners**

Presently, our Company does not have any financial partners.

## OUR MANAGEMENT

### Board of Directors

Board of Directors comprising of Eight directors currently manage our Company. Mr. Balkrishandas Mundhra is our Chairman & Managing Director. The following table sets forth the details regarding our Board of Directors as on the date of filing of this Red Herring Prospectus with SEBI:

Sr. No.	Name, Age, Designation, Status, Address & Occupation of Director	Other Directorships	Date of Appointment & Term of Directorship
1	Mr. Balkrishandas Mundhra, 59 years, Chairman and Managing Director, Non Independent DIN: 00013125 Fathers Name: Mr. Madhoda Mundhra 126,Southern Avenue, Kolkata – 700029 Industrialist	1. Bharat Gypsum Private Limited. 2. Prozen Merchants Private Limited. 3. Geo Miller & Company Private Limited. 4. Simplex Finance Limited. 5. Mundhra Education Foundation. 6. Simplex Concrete Piles (Southern India) Private Limited. 7. Raseshwar Engineers & Consultants Private Limited.	Appointed as Chairman and Managing Director for a period of five years on 15 <sup>th</sup> March 2006.
2	Mr. Raghav Das Mundhra, 33 years, Whole Time Director, Non Independent DIN: 00013137 Fathers Name: Mr. Balkrishandas Mundhra 126,Southern Avenue, Kolkata – 700029 Industrialist	Prozen Merchants Private Limited.	14 <sup>th</sup> July 1999 . Liable to retire by rotation.
3	Mr. Sudarshan Das Mundhra, 30 years, Whole Time Director, Non Independent DIN: 00013158 Fathers Name: Mr. Balkrishandas Mundhra 126,Southern Avenue, Kolkata – 700029 Industrialist	Prozen Merchants Private Limited.	30 <sup>th</sup> September 2005. Liable to retire by rotation.
4	Mr. Jai Kishan Bagri, 58 years, Whole Time Director, Non Independent DIN: 00268722 Fathers Name: Mr. Balkishan Bagri DA- 190, Sector I, Salt Lake City, Kolkata – 700064 Executive	1. Simplex Projects Road & Highway Constructions Private Limited. 2. Bagri Polytex Limited. 3. Bagri Brothers Impex (Private) Limited.	29 <sup>th</sup> September 1995. Liable to retire by rotation.
5	Mr. Shyam Das Mundhra, 64 years, Director, Independent DIN: 00167410	1. Sree Nursingsahay Mudungopal Private Limited. 2. Shree Nurmada Industries Private Limited	03 <sup>rd</sup> August 1998. Liable to retire by rotation.

Sr. No.	Name, Age, Designation, Status, Address & Occupation of Director	Other Directorships	Date of Appointment & Term of Directorship
	Fathers Name: Mr. Udho Das Munbhra 55, Ezra Street, Kolkata – 700001 Industrialist	3. Sree Nursingsahay Mudungopal Engineers Private Limited 4. Shree NM Exim Private Limited. 5. Electrical Products Company (India) Private Limited.	
6.	Mr. Nitindra Nath Som 66 Years, Director, Independent DIN: 01371413 Fathers Name: Mr. Nirendra Nath Som Flat No.202, 395, Jodhpur Park Kolkata-700068 Consultant	Simpark Infrastructure Private Limited	09 <sup>th</sup> January 2007. Liable to retire by rotation.
7	Mr. Anand Chopra, 57 years, Director, Independent DIN: 00397305 Fathers Name: Mr. Chhagan Mall Chopra 23/4A, Ray Street, Kolkata – 700020 Practicing Chartered Accountant	1. Madhu Nirman Private Limited. 2. Simplex Fiscal Holdings Private Limited. 3. Avani Highrise Private Limited.	1st April 2006. Liable to retire by rotation.
8	Mr. Prabir Kumar De, 63 years, Director, Independent DIN: 00279667 Fathers Name: Mr. Jitendra Nath De Flat C – 1, 70B, Prince Anwar Saha Road, Kolkata – 700045 Consultant	Nil	1st April 2006. Liable to retire by rotation.

### Brief Profile of Our Board of Directors

**Mr. Balkrishandas Mundhra**, aged 59 years, is the promoter of our Company. He is also the Chairman and Managing Director of our Company. He is at the helm of affairs of our Company and is responsible for the overall working of our Company and is instrumental in making strategic decisions for our Company. He has been associated with our Company from its inception as a Promoter. He is having over 35 years of experience in the construction industry. Mr. Mundhra is a Bachelor in Sciences.

**Mr. Raghav Das Mundhra**, aged 33 years, is the Whole Time Director of our Company. He has over 8 years of experience in Construction Industry. He is Presently, in charge of Marketing and New Businesses and is also at the helm of Parking Business. A Member of Infrastructure committee of Eastern Region of CII. Mr. Raghav is a B.Com, MBA, MIM (Aus).



**Mr. Sudarshan Das Mundhra**, aged 30 years, is the Whole Time Director of our Company. Mr. Sudarshan has over 6 years of experience in project procurement & monitoring. He is a Bachelor in Arts (Economics). He is presently in charge of North-East Business Group.

**Mr. Jai Kishan Bagri**, aged 58 years, is the Whole Time Director of our Company. He is having almost 28 years of in almost all fields of civil construction. Having worked in our Company for almost 20 years, Mr. Bagri joined the Board in 1995 and is looking after the Project Tendering & Monitoring. Mr. Bagri is B.E. in Civil Engineering.

**Mr. Prabir Kumar De**, aged 63 years is a non-executive Director of our Company. Mr. De is a Chartered Engineer (Institution of Structural Engineers (UK)) with over 35 years experience in all civil construction activities specially town planning. He has Served The Kolkata Improvement Trust as Chief Engineer. Mr. De joined the Board of our Company as Director in April 2006.

**Mr. Shyam Das Mundhra**, aged 64 years, is a non-executive Director of our Company. He is a industrialist. Mr Shyam Das Mundhra having over 40 years of experience in running the business of electrical and allied activities. He joined the board in the year 1998.

**Mr. Anand Chopra**, aged 57 years is an independent Director of our Company. Mr. Chopra is a Fellow Member of Institute Of Chartered Accountants of India. He is presently a senior partner of Chopra & Company, a Practicing Chartered Accountants firm at 133, Canning Street, Kolkata – 700001. He is having varying experience in Statutory, Management and Internal Audit of large and medium sized Companies and Public Sector Organizations including Banks and Insurance Companies. Also, he has wide experience in Direct Taxes, Merchant Banking like Project Feasibility Study, preparation & evaluation of Project Reports, syndication of finance, Public Issues, Corporate and allied Commercial Laws, Investment Advisor etc. He joined the Board of our Company as Director in April 2006.

**Mr. Nitindra Nath Som**, aged 66 years is an independent Director of our Company. Mr Som, is a Civil and Geo-Technical Engineers, is an experienced and erudite engineer. He has 40 years of teaching, research, administration, industrial consultancy, design, construction and quality control in civil and geo-technical engineering. His expertise in working out solutions to complex and challenging problems of foundations, underground construction, highways, embankments, ground improvement and geo-environmental engineering is widely sought.

#### **BORROWING POWERS:**

Vide a resolution passed at the Extraordinary General Meeting of our Company held on September 28, 2006, the consent of our Company has been accorded to the Board of Directors to borrow monies from time to time, even though the monies so borrowed exceed the aggregate paid up capital of our Company, provided however that the total amount of such borrowings shall not exceed the sum of Rs. 200 crores.

We confirm that the borrowing powers of Directors are in compliance with the relevant provisions of Companies Act 1956.

#### **Compensation to Managing directors / Whole-time Directors**

##### **Mr. Balkrishandas Mundhra, Chairman and Managing Director**

The remuneration of our Chairman and Managing Director, Mr. Balkrishandas Mundhra with effect from 1<sup>st</sup> April 2007, as per the resolution passed in the meeting of the Board of Directors held on 23<sup>rd</sup> April 2007, is detailed hereunder:

**a)Salary:** Rs. 63,000/- per month until and unless the Board of Directors decides otherwise.

**b)House Rent Allowance:**House rent allowance of Rs. 6,300/- per month until and unless the Board of Directors decides otherwise.

**c)Other terms and conditions** shall be as per the resolution of the members passed at the Extra-ordinary General Meeting held on 11th March, 2006.”

The terms of remuneration of our Chairman and Managing Director, Mr. Balkrishandas Mundhra as per the resolution passed in general meeting held on 11<sup>th</sup> March, 2006, is detailed hereunder:

A. Remuneration:

**I. Salary:**

The Board of Directors will determine the basic salary from time to time so that the total basic salary remains within the range of Rs. 50,000/- to Rs. 2,50,000/- per month.

**II. Commission:**

Such remuneration by way of commission, in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company or a committee thereof, at the end of each financial year subject to the overall ceilings stipulated in Section 198 and 309 of the Act.

The specific amounts will be based on certain performance criteria to be laid down the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the shareholders.

**III. Perquisites:**

In addition to the above salary and commission, Mr. Balkrishandas Mundhra shall be entitled to the following perquisites restricted to an amount equal to his annual salary. For this purpose, perquisites are classified in 3 categories, Part A, Part B and Part C.

Perquisites referred to under Part B and part C shall not be considered or included for computation of ceiling on perquisites.

**Part ‘A’**

**a) House Rent Allowance:**

In case housing accommodation is not provided by the Company, House rent allowance within the range of Rs. 5,000/- to Rs. 25,000/- per month as may be fixed by the Board of Directors from time to time.

**b) Medical Reimbursement:**

Expenses incurred for Mr. Balkrishandas Mundhra and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

**c) Leave Travel Concession:**

For self and his family not more than once in a year in accordance with the Rules of the Company in respect of the Senior Executives.

**d) Hospitalisation/ Personal Accident Insurance Policy:**

Of an amount of the annual Premium of which does not exceed Rs. 10,000/- for self and his family.

**e) Club Fees:**

Fees of Club subject to a maximum of two clubs. No admission and life membership fees will be allowed.

**Part ‘B’**

**a) Provident Fund:**

Company's contribution to Provident Fund shall be as per the scheme of the Company.

**b) Pension/Superannuation Fund:**

Company's contribution to Superannuation or Annuity Fund shall be as per the scheme of the Company.

**c) Gratuity:**

As per the Rules of the Company, payable in accordance with the approved fund and Gratuity payable will not exceed half a month's salary for each completed year of service. Gratuity payable at the end of the tenure shall not be included in the computation of limits for the remuneration as aforesaid.

**d) Leave Encashment:**

Encashment of accumulated leave at the end of the tenure will be permissible but will not be included in the computation of ceiling on the perquisites. Leave encashment payable at the end of the tenure shall not be included in the computation of limits for the remuneration as aforesaid.

**Part 'C'****a) Car:**

Provision of car for use of Company's business will not be considered as perquisites. Use of car for private purposes shall be billed by the Company.

**b) Telephone:**

Provision of telephone for use of Company's business at residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company separately.

**Other Benefits:****a) Entertainment & other expenses:**

The Company shall reimburse to the Managing Director entertainment, travelling and all other expenses incurred by him for the purpose of business of the Company.

**b) Leave:**

On full and pay allowances, as per Rules of the Company, but not more than one month's leave for every 11 months of service. However, leave accumulated but not availed of, will not be allowed to be encashed.

Any other perquisites as may be allowed to Senior Executives of the Company from time to time.

The Company has entered into an agreement with Mr. Balkrishandas Mundhra on 30<sup>th</sup> May, 2006 in accordance with the resolution passed at the Extra-ordinary General Meeting held on 11<sup>th</sup> March, 2006.

**Mr. RAGHAV DAS MUNDHRA, WHOLE TIME DIRECTOR**

The remuneration of our Whole Time Director, Mr. Raghav Das Mundhra with effect from 1<sup>st</sup> April 2007, as per the resolution passed in the meeting of the Board of Directors held on 23<sup>rd</sup> April 2007, is detailed hereunder:

**a) Salary:** Rs. 27,000/- per month until and unless the Board of Directors decides otherwise.

**b) House Rent Allowance:** House rent allowance of Rs. 11,500/- per month until and unless the Board of Directors decides otherwise.

c) Other terms and conditions shall be as per the resolution of the members passed at the Extra-ordinary General Meeting held on 11<sup>th</sup> March, 2006."

The terms of remuneration of our Whole Time Director, Mr. Raghav Das Mundhra as per the resolution passed in general meeting held on 11<sup>th</sup> March, 2006, is detailed hereunder:

**A. REMUNERATION****i) Salary:**

The basic salary will be determined by the Board of Directors from time to time so that the total basic salary remains within the range of Rs. 20,000/- to Rs. 1,00,000/- per month.

**ii) House Rent Allowance:**

In case housing accommodation is not provided by the Company, House Rent Allowance within the range of Rs. 8,000/- to Rs. 20,000/- per month as may be fixed by the Board of Directors from time to time.

**B.PERQUISITES:**

In addition to the above, Mr. Raghav Das Mundhra shall be entitled to the following perquisites restricted to an amount equal to his annual salary.

**CATEGORY “A”****a) Medical Reimbursement:**

Expenses incurred for Mr. Raghav Das Mundhra and his family subject to a ceiling one month's salary in a year or three month's salary over a period of three years.

**b) Leave Travel Concession:**

For self and his family not more than once in a year in accordance with the Rules of the Company in respect of the Senior Executives.

**c) Hospitalisation/ Personal Accident Insurance Policy:**

Premium not to exceed Rs. 4000/- per annum for self and his family.

**d) Club Fees:**

Fees of Club subject to a maximum of two clubs. No admission and life membership fees will be allowed.

**CATEGORY “B”**

i) Contribution to Provident Fund, Superannuation or Annuity Fund will not be included in the computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.

ii) Encashment of accumulated leave at the end of the tenure will be permissible but will not be included in the computation of ceiling on the perquisites.

**CATEGORY ‘C’**

Provision of car for use of Company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

The Company has entered into an agreement with Mr. Raghav Das Mundhra on 30<sup>th</sup> May, 2006 in accordance with the resolution passed at the Extra-ordinary General Meeting held on 14<sup>th</sup> July, 1999 and subsequently modified at the Extra Ordinary General Meeting held on 11<sup>th</sup> March, 2006.

**Mr. SUDARSHAN DAS MUNDHRA, WHOLE TIME DIRECTOR**

The remuneration of our Whole Time Director, Mr. Sudarshan Das Mundhra with effect from 1<sup>st</sup> April 2007, as per the resolution passed in the meeting of the Board of Directors held on 23<sup>rd</sup> April 2007, is detailed hereunder:

**a)Salary:** Rs. 24,500/- per month until and unless the Board of Directors decides otherwise.

**b) House Rent Allowance:**House rent allowance of Rs. 10,500/- per month until and unless the Board of Directors decides otherwise.

c)Other terms and conditions shall be as per the resolution of the members passed at the Extra-ordinary General Meeting held on 11th March, 2006.”

The terms of remuneration of our Whole Time Director, Mr. Sudarshan Das Mundhra as per the resolution passed in general meeting held on 30<sup>th</sup> September, 2005 and subsequently modified at the Extra Ordinary General Meeting held on 11<sup>th</sup> March, 2006 is detailed hereunder:

## **A.REMUNERATION**

**i) Salary:**The basic salary will be determined by the Board of Directors from time to time so that the total basic salary remains within the range of Rs.20,000/- to Rs.1,00,000/- per month.

**ii) House Rent Allowance:**In case housing accommodation is not provided by the Company, House Rent Allowance within the range of Rs. 8,000/- to Rs. 20,000/- per month as may be fixed by the Board of Directors from time to time.

## **B. PERQUISITES**

In addition to the above Mr. Sudarshan Das Mundhra shall be entitled to the following perquisites restricted to an amount equal to his annual salary.

### **CATEGORY ‘A’**

**a) Medical Reimbursement:**

Expenses incurred for Mr. Sudarshan Das Mundhra and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

**b) Leave Travel Concession:**

For self and his family, not more than once in a year, in accordance with the Rules of the Company in respect of the Senior Executive.

**c) Hospitalisation/ Personal Accident Insurance Policy**

Premium not to exceed Rs. 4,000/- per annum for self and his family.

**d) Club Fees**

Fees of Club subject to a maximum of two clubs. No admission and life membership fees will be allowed.

### **CATEGORY ‘B’**

a) Contribution to Provident Fund, Superannuation or Annuity Fund will not be included in the computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.

b) Encashment of accumulated leave at the end of the tenure will be permissible but will not be included in the computation of ceiling on the perquisites.

### **CATEGORY ‘C’**

Provision of car for use of Company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

The Company has entered into an agreement with Mr. Sudarshan Das Mundhra on 30<sup>th</sup> May, 2006 in accordance with the resolution passed at the Extra-ordinary General Meeting held on 30<sup>th</sup> September, 2005 and subsequently modified at the Extra Ordinary General Meeting held on 11<sup>th</sup> March, 2006.

#### **Mr. JAI KISHAN BAGRI, WHOLE TIME DIRECTOR**

The remuneration of our Whole Time Director, Mr. Jai Kishan Bagri, as per the resolution passed in the meeting of the Board of Directors held on 23<sup>rd</sup> April 2007, is detailed hereunder:

**a)Salary:** Rs. 36,750/- per month until and unless the Board of Directors decides otherwise.

**b) House Rent Allowance:**House rent allowance of Rs. 15,750/- per month until and unless the Board of Directors decides otherwise.

c) Other terms and conditions shall be as per the resolution of the members passed at the Extra-ordinary General Meeting held on 11th March, 2006.”

The remuneration of our Whole Time Director, Mr. Jai Kishan Bagri as per the resolution passed in general meeting held on 29<sup>th</sup> September 1995 and subsequently modified at the Extra Ordinary General Meeting held on 11<sup>th</sup> March, 2006 is detailed hereunder:

## **A. REMUNERATION**

**i) Salary:** The basic salary will be determined by the Board of Directors from time to time so that the total basic salary remains within the range of Rs.20, 000/- to Rs.1, 00,000/- per month.

**ii) House Rent Allowance:** In case housing accommodation is not provided by the Company, House Rent Allowance within the range of Rs. 8,000/- to Rs. 20,000/- per month as may be fixed by the Board of Directors from time to time.

## **B. PERQUISITES:**

In addition to the above, Mr. Bagri shall be entitled to the following perquisites restricted to an amount equal to his annual salary.

**i) Housing I:** Actual cost of furnished accommodation or 60% of salary over and above 10% of salary.

**Housing II** 10% of Salary if accommodation is owned by the Company

**Housing III** In case of accommodation is not provided by the Company, HRA subject to ceiling as per I.

**ii) Medical Reimbursement:** Expenses incurred by the Whole-time Director subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

**iii) Leave Travel Concession:** For self and his family not more than once in a year in accordance with the Rules of the Company in respect of the Senior Executive.

### **iv) Hospitalisation/ Personal Accident Insurance Policy**

Premium not to exceed Rs. 4,000/- per annum for self and his family.

v) Contribution to Provident Fund, Superannuation or Annuity Fund will not be included in the computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.

vi) Provision of car for use of Company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

The Company has entered into an agreement with Mr. Jai Kishan Bagri on 30<sup>th</sup> May, 2006 in accordance with the resolution passed at the Annual General Meeting held on 29<sup>th</sup> September, 1995 and subsequently modified at the Extra Ordinary General Meeting held on 11<sup>th</sup> March, 2006 .

## **CORPORATE GOVERNANCE**

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI Guidelines in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges.

Our Company has complied with SEBI Guidelines in respect of Corporate Governance specially with respect to broad basing of board, constituting the Committees such as Share Transfer cum Investors Grievance Committee, Audit Committee and Remuneration Committee.

Our Company has complied with the corporate governance requirements as per clause 49 of the listing agreement. In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Shareholders/Investors Grievance Committee

#### **COMPOSITION OF BOARD OF DIRECTORS:**

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has eight Directors out of which four are independent directors in accordance with the requirement of clause 49 of the listing agreement of the stock exchanges. The chairman of the Board is a executive director.

#### **BOARD STRUCTURE:**

<b>Name</b>	<b>Designation</b>	<b>Status</b>
Mr. Balkrishandas Mundhra	Chairman and Managing Director	Non Independent & Executive
Mr. Raghav Das Mundhra	Whole Time Director	Non Independent & Executive
Mr. Sudarshan DasMundhra	Whole Time Director	Non Independent & Executive
Mr. Jai Kishan Bagri	Whole Time Director	Non Independent & Executive
Mr. Prabir Kumar De	Director	Independent & Non-Executive
Mr. Shyam Das Mundhra	Director	Independent & Non-Executive
Mr. Anand Chopra	Director	Independent & Non-Executive
Mr. Nitindra Nath Som	Director	Independent & Non-Executive

#### **AUDIT COMMITTEE**

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on 6<sup>th</sup> July 2006.

In terms of the said Resolution, the Committee consists of 3 members comprising of, Mr. Anand Chopra, Mr. Shyam Das Mundhra and Mr. Prabir Kumar De, all non-executive independent directors and Mr. Anand Chopra is its Chairman. Our Company Secretary, Mr. Binaya Kumar Dash is the Secretary of the Audit Committee.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1	Mr. Anand Chopra	Chairman	Independent & Non-Executive Director
2	Mr. Prabir Kumar De	Member	Independent & Non-Executive Director
3	Mr. Shyam Das Mundhra	Member	Independent & Non-Executive Director

The Terms of reference of the Audit Committee are given below:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on the following:
  - Any change in the accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualification in the draft audit reports.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
- (d) Compliance with Stock Exchange and legal requirements concerning financial statements.

- (e) Any related party transaction, i.e., transaction of the Company of the material nature with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the company at large.
- (f) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- (g) Reviewing the adequacy of internal audit function, 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.
- (h) Discussion with internal auditors and significant findings and follow up thereon.
- (i) 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.
- (j) Discussion with external auditors before the audit commences nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- (k) Reviewing the Company's financial and risk management policies.
- (l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders
- (m) case of non-payment of declared dividends) and creditors.

Vide resolution dated 24th May, 2007 following terms of reference has been also been given of Audit Committee

(n) To review the financial statements, in particulars the investments made by Simpark Infrastructure Private Limited.

(o) To take on record minutes book of Simpark Infrastructure Private Limited periodically and

(p) To review all the significant material transactions and arrangements entered into by Simpark Infrastructure Private Limited.

#### **REMUNERATION COMMITTEE**

Our Company has constituted the Remuneration Committee. The constitution of the Remuneration Committee was approved by a meeting of the Board of Directors held on 6<sup>th</sup> July 2006. Mr. Anand Chopra, Mr. Shyam Das Mundhra and Mr. Prabir Kumar De, all non-executive independent directors and Mr. Prabir Kumar De is its Chairman. Our Company Secretary, Mr. Binaya Kumar Dash is the Secretary of the Remuneration Committee. The Remuneration Committee has been formed to decide and approve the terms and conditions for appointment of executive directors and/ or whole time directors and remuneration payable to other directors and matter related thereto.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1	Mr. Prabir Kumar De	Chairman	Independent & Non-Executive Director
2	Mr. Anand Chopra	Member	Independent & Non-Executive Director
3	Mr. Shyam Das Mundhra	Member	Independent & Non-Executive Director

#### **SHAREHOLDERS/ INVESTOR GRIEVANCE COMMITTEE**

Our Company has constituted a Shareholders/Investor Grievance Committee. The constitution of the Shareholders/Investor Grievance Committee was approved by a meeting of the Board of Directors held on 6<sup>th</sup> July 2006. The Committee currently comprises of Mr. Anand Chopra, Mr. Shyam Das Mundhra and Mr. Prabir Kumar De, as members.

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1	Mr. Anand Chopra	Chairman	Independent & Non-Executive Director
2	Mr. Prabir Kumar De	Member	Independent & Non-Executive Director
3	Mr. Shyam Das Mundhra	Member	Independent & Non-Executive Director

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

- To approve the transfer of shares.



- To look after the matter relating to non-receipts of the refund orders, right entitlement, annual reports and other entitlements.
- To look after the matters relating to dematerialisation and re-materialisation of shares

Mr. Binaya Kumar Dash is the Secretary of all the Committees.

## **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

### **Brief Details of the Policy for Prevention of Insider Trading**

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. Every Director, Officer, Designated Employee and Connected person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Director, Officer, Designated Employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating / or counseling others with respect to the securities of the Company. Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling the Company to retain investor confidence. The policy includes the following:

Preservation of “Price Sensitive Information”:-

Employees/directors shall maintain the confidentiality of all Price Sensitive Information. Employees/ Directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

Need to know: - Unpublished Price Sensitive Information will be handled on a “need to know” basis i.e., Unpublished Price Sensitive Information shall be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

All non-public information directly received by any employee shall be immediately reported to the head of department.

Limited access to the confidential information:-

Files containing confidential information will be kept secure. Computer files will have adequate security of login and password etc.

Prevention of misuse of “Price Sensitive Information”

All directors/officers and designated employees of the Company will be subject to trading restrictions as enumerated below:-

- **Trading window**

The trading period, to be called “Trading Window”. All directors/ officers/ designated employees of the company shall conduct all their dealing in the securities of the company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company’s securities during the periods when trading window is closed or during any other period as may be specified by the Company from time to time.

- **Pre-clearance of trades**

All directors/officers/designated employees of the company who intend to deal in the securities of the company (above a minimum threshold limit) should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

- **Penalty for contravention of code of conduct**

Any employee/officer/director who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct, may be penalised and the company may take appropriate action. Employees/officers /directors of the Company who violate the code of conduct shall be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligibility for future Employee stock option plans, etc.

- Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992  
In case it is observed by the company / compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading), Regulations, 1992, SEBI will be informed by the company.

#### **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

Our Board of Directors have approved and adopted the Code of Conduct for Directors and Senior Management Personnel in view of the proposed public issue. The code of conduct is available on website of our Company.

#### **SHAREHOLDING OF DIRECTORS INCULDING QUALIFICATION SHARES IF ANY**

Our Articles of Association do not require our Directors to hold any qualification shares.

The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as at the date of this Red Herring Prospectus.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of Shares</b>	<b>Percentage</b>
1.	Mr.Balkrishadas Mundhra	3,45,857	3.84%
2	Mr.Raghav Das Mundhra	85,714	0.95%
3	Mr.Sudarshan Das Mundhra	85,857	0.95%
4	Mr.Jai Kishan Bagri	NIL	NIL
5	Mr.Shyam Das Mundhra	NIL	NIL
6	Mr.Nitindra Nath Som	NIL	NIL
7	Mr.Anand Chopra	NIL	NIL
8	Mr.Prabir Kumar De	NIL	NIL

#### **INTEREST OF DIRECTORS**

Except as stated in the “Related Party Disclosures” beginning on page 146 of this Red Herring Prospectus, all our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them in accordance with the provisions of the Companies Act and in terms of the Articles.

The Directors may also be regarded as interested in the shares, if any, held by them or that may be subscribed by and allotted/transferred to the companies, firms and trusts and other entities in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

#### **INTEREST AS TO PROPERTY:**

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Red Herring Prospectus in which the directors are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

#### **Directors Remuneration (including sitting fees) for the year ended March 31, 2006**

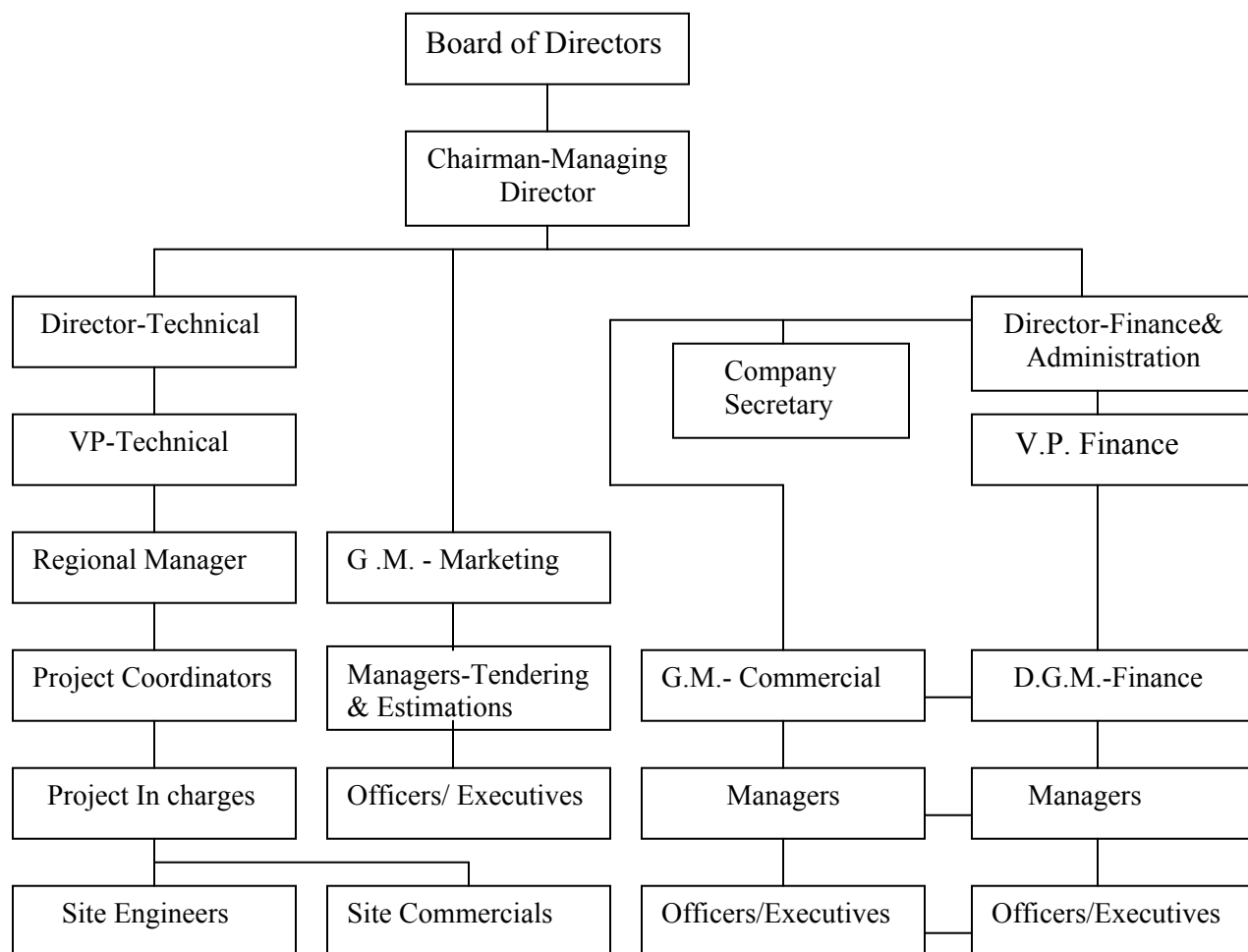
No sitting fees have been paid to any director. For details of payments or benefits paid to our executive directors, please refer to paragraph “Compensation to Managing Directors / Whole-time Directors” in the section titled “Our Management” on page 101 of this Red Herring Prospectus.

**CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

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

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Change</b>	<b>Reason for Change</b>
1.	Mr.Sudarshan Das Mundhra	30.09.05	Appointed as Whole time Director at the Annual General Meeting held on 30 <sup>th</sup> September 2005
2.	Mr. Arka Prabha Deb	30.09.05	Appointed as a Director with effect from 30 <sup>th</sup> September 2005
3.	Mr. Arka Prabha Deb	29.11.05	Resigned from the Board of Directors with effect from 29 <sup>th</sup> November, 2005.
4.	Mr.Balkrishandas Mundhra	15.03.06	Appointed as Chairman & Managing Director with effect from 15 <sup>th</sup> March, 2006.
5.	Mr.Prabir Kumar De	01.04.06	Appointed to broad base the board.
6.	Mr. Anand Chopra	01.04.06	Appointed to broad base the board.
7.	Mr. Nitindra Nath Som	09.01.07	Appointed to broad base the board.

## MANAGEMENT ORGANISATION STRUCTURE



### Key Managerial Personnel

Apart from whole time directors following are key managerial personnel:

Sr. No.	Name	Designation	Qualification	Date of Joining	Experience in Years	Responsibilities	Previously Employed with
1	Mr. Pradeep Mishra	Senior Vice President (Finance) & Compliance Officer	B.Com, ICWA	08.05.1995	15	Overall responsibility of Finance Matters	Simplex Concrete Piles(India) Limited.
2	Mr. Binaya Kumar Dash	Company Secretary	B.Sc, LL.B., ACS	14.11.2005	7	Incharge of Company Law and Secretarial Matters	GPT Group.
3	Mr. Arup Chowdhuri	Vice President – Engineering Services	B.E. in Civil Engineering	17-08-1998	18	Overall in charge of the in house engineering and	T.K.Roy & Associates

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Qualification</b>	<b>Date of Joining</b>	<b>Experience in Years</b>	<b>Responsibilities</b>	<b>Previously Employed with</b>
						planning	
4	Mr. B. N. Dutta	Regional Manager	B.E. in Civil Engineering	08.02.1995	19	Responsible for Major Projects.	Soil and Foundation Engineers Private Limited.
5	Mr. Gautam Dasgupta	Deputy General Manager	Bachelor in Arts	29.01.1996	28	Looks after administration and legal compliances.	Vegepro Foods & Feeds Limited
6	Mr. Mahaveer Prasad Bajaj	Deputy General Manager	Bachelor in Science	17-06-1995	35	Responsible for Accounts	-
7	Mr. Shyam Kumar Taparia	Deputy General Manager	B.Com (Hons), Chartered Accountant	11-06-2007	37	Responsible for Accounts and Finance related work	Mangalam Timber Products Limited
8	Mr. Arjun Prasad Saha	Regional Manager	B.E. in Civil Engineering	16.04.2004	25	Responsible for Major Projects.	Self Employed
9	Mr. Krishna Kumar Mohta	Deputy General Manager	Bachelor in Commerce	01.12.1992	27	Overall responsible for purchase and stores, materials management.	Soil and Foundation Engineers Private Limited.
10	Mr. Amar Nath Singh	Regional Manager	Diploma in Civil Engineering.	15-02-1995	19	Responsible for Major Projects.	Soil and Foundation Engineers Private Limited.
11	Mr. Samaresh Nath	Regional Manager	Diploma in Civil Engineering.	01-01-1993	26	Responsible for Major Projects.	Soil and Foundation Engineers Private Limited.
12	Mr. Pradip Dasgupta	Regional Manager	Diploma in Civil Engineering.	15-02-1995	24	Responsible for Major Projects.	Soil and Foundation Engineers Private Limited.
13	Mr. Mahadeb Ray	Regional Manager	B.E. Civil Engineering.	01-02-2002	21	Responsible for Major Projects.	Soil and Foundation Engineers Private Limited.
14	Mr. B R Haldar	Senior Manager – Contracts	Diploma in Civil Engineering	01-06-1993	28	Tendering and Marketing	Soil and Foundation Engineers Private Limited

**Notes:**

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited.
- The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.

**BRIEF PROFILE OF OUR KEY MANAGERIAL PERSONNEL**

**Mr. Pradeep Mishra**, aged 37, is Senior Vice President (Finance) & Compliance Officer of our Company. He is a Cost And Works Accountant by Qualification. He has also completed Executive Course Programme conducted by IIM, Calcutta. He joined our Company in 1995. He has gradually elevated to the position of Senior Vice-President- Finance and is responsible for looking after Finance matters of our Company. Mr. Pradeep Mishra is also a non executive director in our subsidiary, Simpark Infrastructure Private Limited. The gross remuneration paid to Mr. Pradeep Mishra during the last financial year was Rs. 4.48 Lacs.

**Mr. Binaya Kumar Dash**, aged 31, is Company Secretary of our Company. He is a qualified Company Secretary by profession. He has also done his LLB from Utkal University Orissa. He has 7 years of experience in corporate secretarial field. He joined our Company in November, 2005 and is overall incharge of the Secretarial Work of our Company. Prior to joining our Company he was associated with GPT Group. The gross remuneration paid to Mr. Binaya Kumar Dash during the last financial year was Rs. 2.05 Lacs.

**Mr. Arup Chowdhuri**, aged 43, is Vice President – Engineering Services of our Company. He is a qualified Civil Engineer from Bengal Engg. College. Early in his career he has handled assignments in various projects (Glass Factory in Rajamundhry, Iron smelting Factory at Jaipur etc.). Mr. Chowdhuri joined our Company in the year 1998 and is currently the Vice President – Projects. He is heading the design and engineering functions and is in charge of the in house engineering and planning including working drawings and erection scheme for all major projects taken up by our Company. The gross remuneration paid to Mr. Arup Chowdhuri during the last financial year was Rs. 4.13 Lacs.

**Mr. B.N. Dutta**, aged 45, is Regional Manager of our Company. He is a qualified Civil Engineer from Jalpaiguri Government Engineering College, Kolkata. He joined our Company in 1995 as a Executive. Since then he has been promoted and now looking after the major bridge and tunneling projects of our Company and is presently the Regional Manager. The gross remuneration paid to Mr. B.N. Dutta during the last financial year was Rs. 3.90 Lacs.

**Mr. Gautam Dasgupta**, aged 47, is Deputy General Manager of our Company. He is Bachelor of Arts by Qualification. Mr. Dasgupta was inducted in our Company in 1996 to strengthen the administrative and legal processes required in the construction industry. At present he is the Deputy General Manager (Commercial) and is looking after administration and legal compliances. The gross remuneration paid to Mr. Gautam Dasgupta during the last financial year was Rs. 3.39 Lacs.

**Mr. Mahaveer Prasad Bajaj**, aged 54, is Deputy General Manager of our Company. He is Bachelor of Science by Qualification. He joined our Company in 1995 and started his career as a Company Manager. Presently, he is the Deputy General Manager (Accounts) and looks after accounting matters. Mr. Mahaveer Prasad Bajaj is also a non executive director of Bharat Gypsum Private Limited. The gross remuneration paid to Mr. Mahaveer Prasad Bajaj during the last financial year was Rs. 3.46 Lacs.

**Mr. Shyam Kumar Taparia**, aged 37 years, is Deputy General Manager- Finance & Accounts of our Company. He has recently joined our Company in June 2007. He is B.Com (Hons) and Chartered Accountant by qualification. Mr. Taparia is having 11 years post qualification experience in the field of finance, taxation and accounts. He was previously employed with M/s. Mangalam Timber Products Limited. He joined our Company on 11th June, 2007 and no remuneration was payable to him during the last financial year.

**Mr. Arjun Prasad Saha**, aged 51, is Regional Manager of our Company. He is a qualified Civil Engineer. Mr. Saha enjoys rich experience in executing and managing difficult projects (Piling and Capping work at Post & Telegraph project, Designed Pile foundation at Netaji Subhash Bose International Tower Project for Airport

Authority of India, Kolkata). He joined our Company in 2004 as Regional Manager . and he is looking after the major bridge and road projects of our Company. The gross remuneration paid to Mr. Arjun Prasad Saha during the last financial year was Rs. 3.98 Lacs.

**Mr. Krishna Kumar Mohta**, aged 47, is Deputy General Manager of our Company. He is Bachelor of Commerce from Calcutta University. He joined our Company in 1992 and started his career as a Senior Purchase executive. Presently, he is the Deputy General Manager (Purchase) and looks after purchase and stores, materials management. The gross remuneration paid to Mr. Krishna Kumar Mohta during the last financial year was Rs. 3.15 Lacs.

**Mr. Amar Nath Singh**, aged 40, is Regional Manager of our Company. He has done his Diploma in Civil Engineering. He joined our Company in 1995 as Executive. Since then he has been working on the major bridge and road projects of our Company and is presently the Regional Manager. The gross remuneration paid to Mr. Amar Nath Singh during the last financial year was Rs. 3.51 Lacs.

**Mr. Samaresh Nath**, aged 50, is Regional Manager of our Company. He is done his Diploma in Civil Engineering. He joined our Company in 1993 as Executive. Since then he has been working on the major bridge and road projects of our Company and is presently the Regional Manager. The gross remuneration paid to Mr. Samaresh Nath during the last financial year was Rs. 3.69 Lacs.

**Mr. Pradip Dasgupta**, aged 45, is Regional Manager of our Company. He is done his Diploma in Civil Engineering. He joined our Company in 1995 as Executive. Since then he has been working on the major bridge and road projects of our Company and is presently the Regional Manager. The gross remuneration paid to Mr. Pradip Dasgupta during the last financial year was Rs. 3.88 Lacs.

**Mr. Mahadeb Ray**, aged 45, is Regional Manager of our Company. He is a B.E. (Civil) by qualification. He joined our Company in 2002 as Regional Manager and he is working on the major bridge and road projects of our Company and is presently the Regional Manager. The gross remuneration paid to Mr. Mahadeb Ray during the last financial year was Rs. 4.28 Lacs.

**Mr. B.R. Halder**, aged 51, is the Senior Manager Contracts, of our Company. He has done his Diploma in Civil Engineering. He had had joined as a Junior Executive and has since been elevated to his current position and is involved in tendering and marketing in our Company. Gross remuneration paid to Mr. Halder during the last financial year was Rs. 3.81 Lacs.

We confirm that the Promoters / Directors of our Company do not have any relationship whatsoever with any of our Key Managerial Personnel.

#### Shareholding of Key Managerial Personnel

Name of the Key Managerial Personnel	No. of Shares Held as on date
Mr. Balkrishandas Mundhra	3,45,857
Mr. Raghav Das Mundhra	85,714
Mr. Sudarshan Das Mundhra	85,857

#### Bonus or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus/profit-sharing plan for any of the employees, Directors, Key Managerial personnel.

#### Changes in the Key Managerial Personnel during last 3 years

Sr. No.	Name	Date of appointment	Date of Resignation	Reason
1	Mr. Binaya Kumar Dash	14.11.2005	--	Joined
2	Mr. Arjun Prasad Saha	16.04.2004	--	Joined
3	Mr. Shyam Kumar Taparia	11-06-2007	--	Joined

## **EMPLOYEES**

As on 31<sup>st</sup> May 2007 we have 219 permanent employees, which comprise of the following:

<b>Department</b>	<b>No. of Employees</b>
Managers	29
Officers	99
Clerical	84
Sub-staff	7
<b>Total</b>	<b>219</b>

For contract labour requirement, our Company uses the services of labour contractors, who provide labour, as per our requirement.

### **ESOP/ESPS SCHEME TO EMPLOYEES**

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

### **PAYMENT OR BENEFIT TO OUR OFFICERS**

Except for the payment of salaries and yearly bonus, we do not provide any other benefit to our employees.



## OUR PROMOTERS AND THEIR BACKGROUND

The Promoters of our Company are three natural persons and four companies.

The natural persons who are our Promoter are:

- Mr. Balkrishandas Mundhra,
- Mr. Raghav Das Mundhra; and
- Mr. Sudarshan Das Mundhra

Our Corporate Promoters are:

- Simplex Fiscal Holdings Private Limited
- Kirti Vinimay Private Limited
- Pioneer Engineering Company Private Limited
- Bharat Gypsum Private Limited



**Voter Id Number:** WB/23/149/450580

**Driving License Number:** WB-01200048325

**Mr. Balkrishandas Mundhra**, aged 59 years, a resident Indian national is, our Promoter. He is having over 35 years of experience in the construction industry. Presently, he is at the helm of affairs of our Company. As the Chairman and Promoter of our Company, Mr. Mundhra is responsible for the overall working of our Company and is instrumental in making strategic decisions for our Company. He has been associated with our Company from its inception as a Promoter.

He was in the Board of Directors of his family flagship unit Simplex Infrastructures Limited (Formerly Simplex Concrete Piles (India) Limited). He joined board of Simplex Infrastructures Limited in 1986.



**Voter Id Number:** WB/23/149/450046

**Driving License Number:** WB-012001372805

**Mr. Raghav Das Mundhra**, aged 33 years, a resident Indian national is, our promoter. He is having over 8 years experience in Construction Industry. He is Presently looking after Marketing and New Businesses of our Company. He is also at the helm of Parking Business. Mr. Raghav is elder son of Mr. Balkrishandas Mundhra.



**Voter Id Number:** Not Available

**Driving License Number:** WB-011999350283

**Mr. Sudarshan Das Mundhra**, aged 30 years, a resident Indian national is, our promoter. He is having over 6 years experience in Project procurement & monitoring. He is presently in charge of North-East Business Group of our Company. Mr. Sudarshan is younger son of Mr. Balkrishandas Mundhra.

#### **Simplex Fiscal Holdings Private Limited**

Simplex Fiscal Holdings Private Limited was incorporated as Vasudha Vanijya Private Limited under the Companies Act, 1956, on February 19<sup>th</sup>, 1996, to carry on the business of investment and trading activities. It is registered with Reserve Bank of India as Non Banking Finance Company. Subsequently, on 5<sup>th</sup> February 2007 the name was changed to Simplex Fiscal Holdings Private Limited. Its registered office is located at 12/1, Nellie Sengupta Sarani, Kolkata – 700087. The equity shares of the company are not listed on any stock exchange.

<b>Shareholding Pattern</b>		
<b>Name of Shareholder</b>	<b>No. of shares held</b>	<b>Percentage</b>
Mr. Balkrishandas Mundhra	75,000	4.55%
Mrs. Pushpa Mundhra	73,000	4.43%
Mr. Sudarshan Das Mundhra	75,000	4.55%
Mr. Balkrishandas Mundhra and Mrs. Pushpa Mundhra	75,000	4.55%
Bharat Gypsum Private Limited	605,000	36.68%
Kirti Vinimay Private Limited	125,000	7.58%
Pioneer Engineering Company Private Limited	419,400	25.43%
Mr. Raghav Das Mundhra	2,000	0.12%
Prozen Merchants Private Limited	2,00,000	12.13%
<b>Total</b>	<b>1,649,400</b>	<b>100.00%</b>

#### **Board of Directors:**

The Board of Directors of Simplex Fiscal Holdings Private Limited Comprise of the following:

<b>Name</b>	<b>Designation</b>
Mr. Krishna Kumar Mohta	Director
Mr. Anand Chopra	Director
Mr. Sanjib Kumar Ghosh	Director

#### **Financial Performance**

The Audited financial results of Simplex Fiscal Holdings Private Limited for the years ended March 31, 2004, 2005 and 2006 are set forth below:

(Rs. in Laacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	144.94	144.94	144.94
Reserves (excluding Revaluation Reserves)	407.14	407.22	407.63
Net Worth	552.08	552.16	552.57
Total Income	147.88	188.16	830.42
Profit for the Year	0.22	0.08	0.41
EPS (Rs.)	Nil	0.01	0.028
NAV per share (Rs.)	38.09	38.10	38.12

The other details of Simplex Fiscal Holdings Private Limited are as under:

Company Registration Number	21-77413
Address of the ROC	Nizam Palace, 2 <sup>nd</sup> MSO Building, 234/4, 2 <sup>nd</sup> Floor, Acharya Jagdish Chandra Bose Road, Kolkata-700020

Simplex Fiscal Holdings is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

### **Bharat Gypsum Private Limited**

Bharat Gypsum Private Limited is incorporated under the Companies Act, 1956 on September 20, 1982, to carry on the business of manufacturers, processors, refiners, dealers in all kinds of commodities and articles made up of gypsum, other ferrous and non-ferrous metals and minerals. Its registered office is located at F – 3/2, Okhla Industrial Area, Phase – I, New Delhi-110020.

The equity shares of the company are not listed on any stock exchange.

### **Shareholding Pattern**

Name of Shareholder	No. of shares held	Percentage
Mr. Balkrishandas Mundhra	158,200	31.64
Mrs. Pushpa Mundhra	10,000	2.00
Mr. Balkrishandas Mundhra J/W Mrs. Pushpa Mundhra	19,500	3.90
Mr. Sree Lal Dwarkani	500	0.10
Mr. Sudarshan DasMundhra	200	0.04
Mr. Raghav DasMundhra	100	0.02
Pioneer Engineering Company Private Limited.	30,000	6.02
Simplex Fiscal HoldingsPrivateLimited.	81,500	16.30
Rajesh Vinimay & Vyapaar Private Limited.	50,000	10.00
D S Consultancy & Holdings Private Limited.	60,000	12.00
Bakshiram Uderam Holdings Private Limited.	40,000	8.00
<b>Total</b>	<b>5,00,000</b>	<b>100.00%</b>

### **Board of Directors**

The Board of Directors of Bharat Gypsum Private Limited , comprise of the following:

Name of the Director	Designation
Mr. Shree Mohan Das Mundhra	Director
Mr. Balkrishandas Mundhra	Director
Mr. Mahaveer Prasad Bajaj	Director

**Financial Performance:**

The Audited financial results of Bharat Gypsum Private Limited for the years ended March 31, 2004, 2005 and 2006 are set forth below:

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	12.85	12.85	50.00
Reserves (excluding Revaluation Reserves)	60.58	62.49	213.58
Net Worth	73.43	75.34	263.58
Total Income	8.76	9.01	8.70
Profit/Loss for the Year	2.04	1.91	2.15
EPS (Rs.)	1.57	1.49	0.43
NAV per share (Rs.)	57.14	58.63	52.72

(Rs. in Laacs)

The other details of Bharat Gypsum Private Limited are as follows:

Company Registration Number	55-014372
Address of the ROC	B-Block, Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi-110003

Bharat Gypsum Private Limited is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

**Pioneer Engineering Company Private Limited**

Pioneer Engineering Company Private Limited is incorporated under the Companies Act, 1956 on April 01, 1992, to carry on the business of buying, selling, letting on hire, leasing and to finance on hire purchase or on deferred payments, or otherwise of all types of plants, machinery, equipment, household goods, furniture, domestic and office appliances. Its registered office is located at 12/1, Nellie Sengupta Sarani, Kolkata – 700087.

The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern		
Name of Shareholder	No. of shares held	Percentage
Mrs. Pushpa Mundhra	6,000	7.50%
Simplex Fiscal Holdings Private Limited	40,000	50.00%
Kirti Vinimay Private Limited	34,000	42.50%
<b>Total</b>	<b>80,000</b>	<b>100.00%</b>

**Board of Directors**

The Board of Directors of Pioneer Engineering Company Private Limited comprise of the following:

Name of the Director	Designation
Mr. Shree Mohan Das Mundhra	Director
Mr. Braj Ratan Daga	Director
Mr. Krishan Kumar Mohta	Director

**Financial Performance**

The Audited financial results of Pioneer Engineering Company Private Limited for the years ended March 31, 2004, 2005 and 2006 are set forth below:

Particulars	(Rs. in Lacs)		
	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	8.00	8.00	8.00
Reserves (excluding Revaluation Reserves)	48.14	46.21	52.80
Net Worth	56.14	54.21	60.80
Total Income	21.85	28.25	54.41
Profit for the Year	1.69	-1.92	9.37
EPS	2.21	-2.40	11.71
NAV per share (Rs.)	70.17	67.77	75.99

The details of Pioneer Engineering Company Private Limited, Permanent account number, registration number, bank account number and the address of the RoC where it is registered are as follows:

Permanent Account Number	AACCP8991J
Company Registration Number	21-055075
Address of the ROC	Nizam Palace, 2 <sup>nd</sup> MSO Building, 234/4, 2 <sup>nd</sup> Floor, Acharya Jagdish Chandra Bose Road, Kolkata-700020

Pioneer Engineering Company Private Limited is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

#### Kirti Vinimay Private Limited

Kirti Vinimay Private Limited is incorporated under the Companies Act, 1956, on December 23<sup>rd</sup>, 1993, to carry on the business of investment and trading activities. It is registered with Reserve Bank of India as Non Banking Finance Company. Its registered office is located at 133, Canning Street, Kolkata- 700001.

The equity shares of the company are not listed on any stock exchange.

Shareholding Pattern		
Name of Shareholder	No. of shares held	Percentage
Pioneer Engineering Company Private Limited	489,050	49.45%
Bharat Gypsum Private Limited	414,000	41.86%
Simplex Fiscal Holdings Private Limited	6,000	0.61%
Mr. Krishna Kumar Mohta	40,000	4.04%
Mr. Narayan Das Vyas	40,000	4.04%
<b>Total</b>	<b>989,050</b>	<b>100%</b>

#### Board of Directors

The Board of Directors of Kirti Vinimay Private Limited, Comprise of the following:

Name	Designation
Mr. Braj Ratan Daga	Director
Mr. Dinesh Kumar Soni	Director
Mr. Dwarka Das Daga	Director
Mr. Srinivas Byas	Director

Mrs. Pushpa Mundhra	Director
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## Financial Performance

The Audited financial results of Kirti Vinimay Private Limited for the years ended March 31, 2004, 2005 and 2006 are set forth below:

(Rs. in Lacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	98.91	98.91	98.91
Reserves (excluding Revaluation Reserves)	Nil	Nil	0.13
Net Worth	98.85	98.89	99.03
Total Income	104.16	97.81	189.41
Profit/Loss for the Year	0.04	0.01	0.93
EPS (Rs.)	0.003	0.001	0.010
NAV per share (Rs.)	9.99	9.99	10.13

The other details of Kirti Vinimay Private Limited are as follows:

Company Registration Number	21-61223
Address of the ROC	Nizam Palace, 2 <sup>nd</sup> MSO Building, 234/4, 2 <sup>nd</sup> Floor, Acharya Jagdish Chandra Bose Road, Kolkata-700020

Kirti Vinimay Private Limited is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

We hereby confirm that the Permanent Account Number, Passport Number and Bank Account Number of Mr. Balkrishandas Mundhra, Mr. Raghav Das Mundhra, Mr. Sudarshan Das Mundhra has been submitted to BSE and NSE at the time of filing this Red Herring Prospectus with them.

We hereby confirm that the Permanent Account Number, Bank Account Number, Company Registration Number and the addresses of the Registrar of Companies where the companies are registered of Simplex Fiscal Holdings Private Limited, Kirti Vinimay Private Limited, Pioneer Engineering Company Private Limited, Bharat Gypsum Private Limited have been submitted to BSE and NSE at the time of filing this Draft Red Herring Prospectus with them.

## COMMON PURSUITS

Our Promoters does not have any interest in any other venture, which is engaged in the similar line of business as that of our Company resulting in conflict of interest.

## INTEREST OF PROMOTERS

Our Company had been promoted by Mr. Balkrishandas Mundhra, Mr. Raghav Das Mundhra, Mr. Sudarshan Das Mundhra and Simplex Fiscal Holdings Private Limited, Kirti Vinimay Private Limited, Pioneer Engineering Company Private Limited, Bharat Gypsum Private Limited. All our promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company.

Our Company have taken a godown/yard at Jalan Industrial Park Dhulagori and our Registered office in Kolkata on rent from our promoter/ Promoter Group.

Sr. No.	Party	Agreement Particulars	Date	Rent/Charges Paid during F.Y. 2007
1.	Kirti Vinimay Private Limited	Facility Agreement	10 <sup>th</sup> March, 2005	Rs. 180,000
2.	Datson Exports Limited	Leave and License	15 <sup>th</sup> February 2003 and	Rs. 62,964

			extension letter dated 1 <sup>st</sup> April 2006	
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Except as stated in the “Related Party Disclosures” beginning on page 146 of this Red Herring Prospectus, all our individual Promoters, being Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the Articles.

#### **PAYMENT OR BENEFIT TO OUR PROMOTERS**

For details of payments or benefits paid to our promoters, Mr. Balkrishandas Mundhra, Mr. Raghav Das Mundhra, Mr. Sudarshan Das Mundhra please refer to paragraph “Compensation to Managing Directors / Whole-time Directors”, “Interest of Promoter” and “Related Party Transactions” beginning on page 103, 124 and 146 respectively of this Red Herring Prospectus.

#### **DISASSOCIATION DETAILS**

Our Promoters have not disassociated themselves from any of the companies / firms during preceding three years.

#### **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions refer to the section titled “Related Party Disclosures” beginning on page 146 of this Red Herring Prospectus.

## **CURRENCY OF PRESENTATION**

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

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

## **DIVIDEND POLICY**

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



## SECTION VII – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### Auditor's Report

**The Board of Directors,  
Simplex projects Limited,  
12/1, Nellie Sengupta Sarani,  
Kolkata-700087**

We have examined the annexed financial information of **Simplex Projects Limited** ('the Company') for the five financial years ended 31st March, 2003, 31st March, 2004, 31st March, 2005, 31st March, 2006 and 31st March, 2007 being the last date to which the accounts of the Company have been made up and audited by us, in accordance with the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'); The Securities and Exchange Board of India (Disclosure and investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by Securities and Exchange Board of India ('SEBI') on January, 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments from time to time and our terms of reference received from the company vide their letter dated 8<sup>th</sup> June, 2007 requesting us to carry out work for the purpose of inclusion in the Offer Document of the Company in connection with its proposed Initial Public Offer. The financial information has been prepared by the company and approved by the Board of Directors. At the date of signing this report, we are not aware of any material adjustment, which would affect the result shown by these accounts in accordance with the requirement of Part II of Schedule II to the Companies Act, 1956.

We have examined the Statement of restated assets and liabilities of the Company as at 31st March, 2003, 31st March, 2004, 31st March, 2005, 31st March, 2006 and 31st March, 2007 (Annexure I), Statement of restated profit and losses (Annexure-II) and Statement of restated cash flow (Annexure-IV) for the year ended 31st March, 2003, 31st March, 2004, 31st March, 2005, 31st March, 2006 and 31st March, 2007 annexed to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate. Based on our examination of the above statements we report as follows:

- i) The summary statements of the Company have been restated with retrospective effect to reflect the significant accounting policies adopted by the Company as at 31<sup>st</sup> March, 2007, as stated in Annexure- III to this report. The summary statements have to be read in conjunction with the notes given in Annexure- III to this report.
- ii) The restated 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 in the year/period to which they are related as described in para 2.1 of notes to accounts in Annexure III to this report.
- iii) There are no qualifications in the auditors' report that require any adjustment to the summary statements as disclosed in note 2.2 of Annexure III.

We have examined the following financial information relating to the Company, proposed to be included in the Offer Document, as approved by the Board and annexed to this report.

- i. Statement of Cash Flow as appearing in 'Annexure IV' ;
- ii. Statement of Secured Loans as appearing in 'Annexure V';
- iii. Statement of Unsecured Loans as appearing in 'Annexure VI';
- iv. Details of Investments as appearing in 'Annexure VII';
- v. Statement of Debtors as appearing in 'Annexure VIII';
- vi. Details of loans and advances as appearing in 'Annexure IX';
- vii. Details of current liabilities and provisions as appearing in 'Annexure X';
- viii. Details of other income as appearing in 'Annexure XI';
- ix. Statement of Tax Shelter as appearing in 'Annexure XII';
- x. Statement of Dividends as appearing in 'Annexure XIII';
- xi. Accounting Ratios as appearing in 'Annexure XIV';

- xii. Capitalisation Statement as appearing in 'Annexure XV';
- xiii. Details of Contingent Liabilities as appearing in 'Annexure XVI';
- xiv. Statement of Related Parties transactions as appearing in 'Annexure XVII';

In our opinion the above financial information of the Company read with Significant Accounting Policies enclosed in Annexure III to this report, after making adjustments/restatements and regroupings as considered appropriate and subject to certain matters as stated in the Notes to the Accounts, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

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

**FOR CHATURVEDI & COMPANY**  
**Chartered Accountants**

**(Nilima Joshi)**  
**Partner**  
Membership No.52122

Place: Kolkata  
Date: 23<sup>rd</sup> June, 2007.

**ANNEXURE – I**

**To ensure that the results are not more than 6 months old and to give the updated results as on 31.03.2007**

**STATEMENT OF ASSETS & LIABILITIES (AS RESTATED)**

**(Rs. in Lacs)**

<b>Sr.</b>						
<b>No.</b>	<b>Particulars</b>	<b>31.03.2003</b>	<b>31.03.2004</b>	<b>31.03.2005</b>	<b>31.03.2006</b>	<b>31.03.2007</b>
<b>A</b>	<b>Fixed Assets</b>					
	Gross Block	767.46	1059.88	1475.29	1810.15	2147.99
	Less : Depreciation	170.91	173.78	235.25	316.85	401.39
	Net Block	596.55	886.1	1240.04	1493.3	1746.60
	Capital Work in Progress	18.74	21.12	28.85	49.17	10.23
	<b>Total</b>	<b>615.29</b>	<b>907.22</b>	<b>1,268.89</b>	<b>1,542.47</b>	<b>1756.83</b>
<b>B</b>	<b>Investment</b>	<b>70.44</b>	<b>65.82</b>	<b>65.92</b>	<b>145.92</b>	<b>605.41</b>
<b>C</b>	<b>Current Assets, Loans &amp; Advances</b>					
	Inventories	1001.52	1247.96	1468.67	1735.81	2745.40
	Sundry Debtors	1708.52	2207.39	3005.04	3746	5301.98
	Cash and Bank Balances	199.61	432.38	358.72	719.32	595.53
	Loans and Advances	314.72	225.72	260.38	992.95	1946.35
	<b>Total</b>	<b>3224.37</b>	<b>4113.45</b>	<b>5092.81</b>	<b>7194.08</b>	<b>10589.26</b>
<b>D</b>	<b>Liabilities and Provisions</b>					
	Secured Loans	1,290.19	1,590.39	1,988.72	3,146.93	4017.42
	Unsecured Loans	232.67	192.29	422.11	615.92	611.92
	Deferred Payment Liability	86.48	114.25	137.30	211.76	208.18
	Deferred Tax Liability (Net)	110.17	139.67	193.64	193.64	193.64
	Current Liabilities & Provisions	1702.54	2432.86	2765.82	2384.97	2875.08
	<b>Total</b>	<b>3,422.05</b>	<b>4,469.46</b>	<b>5,507.59</b>	<b>6,553.22</b>	<b>7906.24</b>
<b>E</b>	<b>Net Worth (A+B+C-D)</b>	<b>488.05</b>	<b>617.03</b>	<b>920.03</b>	<b>2329.25</b>	<b>5045.26</b>
<b>F</b>	<b>Represented by</b>					
	Equity Share Capital	175.00	175.00	199.00	419.00	900.00
	Preference Share Capital	-	-	-	-	-
	Share Application Money	-	-	-	-	-
	Reserves & Surplus	313.05	442.03	721.03	1910.25	4186.62
	Less : Miscellaneous Expenses ( To the extent not written off)	-	-	-	-	41.36
	<b>Net Worth</b>	<b>488.05</b>	<b>617.03</b>	<b>920.03</b>	<b>2329.25</b>	<b>5045.26</b>

**ANNEXURE – II**  
**STATEMENT OF PROFIT & LOSS (AS RESTATED)**

		(Rs. in Lacs)				
Sr. No.	Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
<b>A</b>	<b>Income</b>					
	Work Done	4156.60	6066.54	7114.54	8220.40	13575.71
	Other Income	25.79	19.39	23.72	37.56	48.55
	<b>Total</b>	<b>4182.39</b>	<b>6085.93</b>	<b>7138.26</b>	<b>8257.96</b>	<b>13624.26</b>
<b>B</b>	<b>Expenditure</b>					
	Expenses for Executing Contract work	3604.56	5379.94	6250.79	7055.80	11194.59
	Administrative & Other Expenses	233.13	259.51	264.01	285.72	505.03
	<b>Total</b>	<b>3837.69</b>	<b>5639.45</b>	<b>6514.80</b>	<b>7341.52</b>	<b>11699.62</b>
<b>C</b>	Net Profit before Interest, Depreciation, Tax and Extraordinary items	344.70	446.48	623.46	916.44	1924.64
	Depreciation	33.57	45.15	64.11	82.92	98.25
	Interest & Financial Charges	201.27	229.60	302.62	415.25	640.21
	<b>Profit / Loss before Tax but before Extra – ordinary Items</b>	<b>109.86</b>	<b>171.73</b>	<b>256.73</b>	<b>418.27</b>	<b>1186.18</b>
	Provision for Taxation					
	- Current Tax	27.10	13.25	19.75	34.69	133.33
	- Deferred Tax	15.11	29.50	53.98	-	-
	- Fringe Benefit Tax	-	-	-	2.13	3.64
<b>D</b>	<b>Profit / Loss after Tax but before Extra – ordinary Items</b>	<b>67.65</b>	<b>128.98</b>	<b>183.00</b>	<b>381.45</b>	<b>1049.21</b>
	Extra-ordinary Items	-	-	-	-	-
	(Add)/Less Taxation Adjustment	-	-	-	-	-
	Effect of change in accounting policy on account of deferred tax provisions	-	-	-	-	-
<b>E</b>	<b>Profit/Loss after Extra-ordinary Items</b>	<b>67.65</b>	<b>128.98</b>	<b>183.00</b>	<b>381.45</b>	<b>1049.21</b>
	Add: Balance b/f from last year	199.85	167.50	196.48	179.48	189.27
	<b>Profit available for appropriation</b>	<b>267.50</b>	<b>296.48</b>	<b>379.48</b>	<b>560.93</b>	<b>1238.48</b>
	Proposed Dividend	-	-	-	62.85	67.50
	Tax thereon	-	-	-	8.81	11.47
	Transfer to General Reserve	100.00	100.00	200.00	300.00	

						1,000.00
	<b>Profit Transferred to B/S</b>	<b>167.50</b>	<b>196.48</b>	<b>179.48</b>	<b>189.27</b>	<b>159.51</b>

### ANNEXURE – III

## NOTES FORMING PART OF THE RESTATED SUMMARY STATEMENTS

### **1.0 SIGNIFICANT ACCOUNTING POLICIES (FOR THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2007.)**

- 1.1 The Company follows accrual basis of accounting except where the receipt of income is uncertain and is in accordance with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956. The accounting policies have been consistently applied by the Company.
- 1.2 Fixed assets are valued at cost of acquisition, less depreciation.
- 1.3 Depreciation on fixed assets is provided as per Schedule XIV of the Companies Act, 1956 under Straight Line Method.
- 1.4 Inventories are valued at cost under FIFO method or net realizable value, whichever is lower.
- 1.5 Investments are valued at cost.
- 1.6 Liabilities on account of Service Tax to the extent not reimbursable by the Clients have been charged off to the profit & loss accounts.
- 1.7 Revenue Recognition :
  - a. Revenue is accounted for following “Percentage Completion” method of accounting in respect of the Construction Contracts.
  - b. In case of sale of buildings, flats, shops inclusive of rights in land in respect thereof, profit is accounted for on receipt of full considerations and giving possession to the purchaser even if execution of conveyance is pending.
- 1.8 Price escalation claims and additional claims including those under arbitration are recognized as revenue when they are realized or receipts thereof are mutually settled or reasonably ascertained.
- 1.9 Site start up expenses are charged off in the year these are incurred.
- 1.10 i) The Company’s contribution to Provident Fund is deposited with the Employees Provident Fund Organisation (EPFO)/ Recognised Funds and is charged to the Profit and Loss account each year.
  - ii) The Company has group gratuity and superannuation schemes for eligible employees with the Life Insurance Corporation of India (LIC). The Scheme are defined benefit schemes and are funded in line with the LIC’s actuarial valuation carried out at each year end.
- 1.11 Impairment of Assets:  
Impairment losses, if any, are recognised in accordance with the Accounting Standards issued in this regard by the Institute of Chartered Accountants of India.
- 1.12 Earnings per share:  
The earnings considered in ascertaining the Company’s EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period.

Diluted earning per equity shares are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

- 1.13 Assets acquired under Hire Purchase arrangements are recorded at their cash values and the finance charges are charged to Profit and Loss Account as accrued.
- 1.14 Material events occurring after Balance Sheet date are taken into cognizance.
- 1.15 Contingent liabilities are not accounted for in the books of account.
- 1.16 Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax liability is recognized 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.

## 2. NOTES TO ACCOUNTS:

### A. 2.1. NOTES TO ADJUSTMENTS CARRIED OUT IN RESTATED FINANCIAL STATEMENTS

The adjustments on account of changes in accounting policies and its impact on profit and losses of the company is stated hereunder :

- a. In order to fall in line with the Accounting Standard – AS-9 on “Revenue Recognition” the company has switched over the method of recognition of interest on fixed deposits with banks from the earlier method of “cash basis” to “accrual basis” with effect from 1<sup>st</sup> April, 2002. The resultant impact on the Profit and Loss account has been reworked in the respective years as stated in the Profit and Loss account as given in para c. The change in the method of recognition of interest has resulted in restating of Other Income for all the aforesaid years and the resultant changes have been effected in the restated summary statement of Profit and Losses.
- b. Shortfall/excess Provision for Income tax resulting on account of change in the method of recognition of interest on fixed deposits with banks, have been adjusted in the Profit and Loss in the Restated Statement of Profit and Losses in the respective years.
- c. A summary of the adjustments which have been made in the respective line items of the restated summary statement of Profit and Losses are given under:

<b>(Rs. In Lacs)</b>					
<b>Particulars</b>	<b>31.03.2003</b>	<b>31.03.2004</b>	<b>31.03.2005</b>	<b>31.03.2006</b>	<b>31.03.2007</b>
Other income	2.71	3.29	4.31	-1.66	7.36
Current Tax adjustments	-1.00	-0.25	-0.34	0.14	-0.83
Net Adjustments	1.71	3.04	3.97	-1.52	6.53

## 2.2 QUALIFICATIONS IN AUDIT REPORTS

The qualifications included in our report on the accounts of the company for the year ended 31st March 2003 to 31st March, 2007 is as under:

- (I) The Company follows accrual basis of accounting, except interest on fixed deposits with Banks, National Saving Certificates and Kisan Vikas Patra, which are accounted for on cash basis.

In order to fall in line with the Accounting Standard – AS-9 on “Revenue Recognition” the company has switched over the method of recognition of interest on fixed deposits with banks from the earlier method of “cash basis” to “accrual basis” with effect from 1<sup>st</sup> April, 2002. The resultant impact on the Profit and Loss account has been reworked in the respective years as stated in the Profit and Loss account as given in para c of notes 2.1 of annexure III.

- (II) As regard the Contract expenses for executing work it has not been possible for the company to bifurcate the expenses into different heads of account as per Part II of the Schedule VI of the Companies Act, 1956.

Since, there is no quantifiable effect, no adjustments in the 'Statement of Restated Assets and Liabilities' and 'Statement of Restated Profit and Loss account' have been made.

## 2.3 SIGNIFICANT CHANGES IN THE ACCOUNTING POLICIES

In order to fall in line with the Accounting Standard – AS-9 on “Revenue Recognition”, the company has switched over the method of recognition of interest on fixed deposits with banks from the earlier method of “cash basis” to “accrual basis” with effect from 1<sup>st</sup> April, 2002. The resultant impact on the Profit and Loss account has been reworked in the respective years as stated in the Profit and Loss account as given in para c. The change in the method of recognition of interest has resulted in restating of Other Income for all the aforesaid years and the resultant changes have been effected in the restated summary statement of Profit and Losses.

- 2.4 The Company has entered into an agreement dated 08.11.1999 with The Kolkata Municipal Corporation (KMC) for installation, development and maintenance of Multilevel Computerized Car Parking System (hereinafter referred to as 'Project') at Rawdon Street, Kolkata. The Company with the consent of KMC has nominated M/s SimPark Infrastructure Pvt. Ltd. ( SIPL ) to carry out the said project, which is on Built-Own-Operate-Transfer (BOOT) basis for a period of 20 years. KMC has given a deposit of Rupees Three crore to the Company as interest free deposit, to be refunded to them only out of the profits to be earned under a joint venture with KMC to develop commercial complex on a land to be allotted by the KMC. The same has been adjusted by the company against civil and other work of the project undertaken by it from SIPL. The company has, accordingly adjusted the deposit on completion of execution of civil and other works.

Similarly, the Company has entered into another agreement dated 21/10.2002 with the KMC for installation, development and maintenance of another Multilevel Underground Car Parking System at New Market, Lindsay Street, Kolkata, which in accordance with its earlier agreement, has been nominated to the said SIPL to carry out the construction of said project, to lease out commercial outlets and also to enter into Lease Agreement with the prospective lessee with a right to collect all receivable against Lease Premium. The company, however, acts as a Confirming Party to all the lease agreements entered into by the said SIPL with the allottee/s of the commercial outlets.

## 3.0 OTHER NOTES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2007.

- 3.1 Information in accordance with the requirements of revised Accounting Standards – 7 on Construction Contracts issued by The Institute of Chartered Accountants of India:

Particulars	Year Ended 31 <sup>st</sup> March,2007 (Rs)	Year Ended 31 <sup>st</sup> March, 2006 (Rs)
Contract revenue recognized for the year ended 31 <sup>st</sup> March,2007	135,75,70,934/-	82,20,40,200/-
Aggregate amount of contracts costs incurred and recognized profits (less recognised losses) up to 31 <sup>st</sup> March,2007 for all the Contracts in progress	227,59,33,608/-	125,27,57,034/-

The amount of Customers advances outstanding for contracts in progress as at 31st March,2007	6,13,99,739/-	9,72,57,621/-
The amount of retention due from customers for Contracts in progress as at 31st March,2007	2,26,57,041/-	3,51,12,532/-
Gross amount due from customers for contracts in progress as at 31st March,2007(including work-in-progress of Rs.16,08,52,260/-)	54,36,05,781/-	32,30,35,425/-

- 3.2 The Company's business activity falls mainly within a single primary segment i.e. construction business in India and hence the disclosure requirement of Accounting Standard (AS) – 17 issued by the Institute of Chartered Accountants of India are in the opinion of the management not applicable.
- 3.3 The deferred tax liability for the current year has not been recognized, on prudence basis, in accordance with Accounting Standard – 22 issued by the Institute of Chartered Accountants of India, as there is no reasonable certainty for future taxable income against which it can be reversed.
- 3.4 Decline, if any, in the market value of long term quoted investments, considered by management not of permanent nature, has not been provided for.
- 3.5 Investments in National Savings Certificate and Kisan Vikas Patra amounting to Rs.1,77,500/- (Previous Year – Rs.1,77,500/-) have matured in earlier years and hence no interest has been taken into accounts. These investments along with Fixed Deposit with banks amounting to Rs.1,16,67,856/- ( Previous Year – Rs.79,80,318/-) are not in possession of the company as they have been lodged as security deposit with clients.
- 3.6 Sundry Debtors and Work-in-Progress include overdue amount of Rs.1,55,61,645/- (Previous Year – Rs.1,22,99,355/-) and Rs.1,10,74,880/- (Previous Year Rs.1,10,74,880/-) that are under arbitration. However, the same is considered good by the management, based on the opinion obtained and the earlier experiences on realisation. No provision in this regard is considered necessary by the management.
- 3.7 Payment against supplies from small scale and ancillary undertakings, if any, are made in accordance with the agreed credit terms and to the extent ascertained from available information, there was no amount overdue as on 31<sup>st</sup> March, 2007.
- 3.8 The shareholders approved the issue of Bonus shares in the proportion of three new shares for every seven existing equity shares at the Extra-ordinary General Meeting held on 10th June 2006. Accordingly, a sum of Rs.1,79,57,140/- has been transferred to Share Capital Account on allotment of fully paid bonus shares to the holders of the equity shares on the record date of 6th July, 2006 by utilization of the General Reserve. Consequently, the earnings per share have been adjusted for the periods presented.
- 3.9 Salaries and other benefit amounting to Rs.21,32,485/- (Previous Year - Rs.8,75,713/-) paid to the Managing Director and other Whole-time Directors of the Company are included in Profit & Loss Account.
- 3.10 Liabilities no longer required written back is net of advances written off amounting to Nil (Previous Year-Rs. 1,000/-)
- 3.11 Information pursuant to the provisions of Paragraph 3 and 4 of the Part II of Schedule VI of the Companies Act, 1956:
- i) Licensed Capacity
  - ii) Installed Capacity
  - iii) Actual Production
  - iv) Opening & Closing Goods Produced
  - v) Raw Material Consumption
- } The Company being Civil Engineering construction concern, these are not applicable as in running contracts quantities of different type of work is not Stock of ascertainable.



vi)      **TURNOVER**

<b>P I L I N G Amount (Rs.)</b>	<b>BUILDINGS Amount (Rs.)</b>	<b>BRIDGES &amp;FLY-OVERS Amount(Rs.)</b>	<b>INDUSTRIAL &amp; OTHERS Amount (Rs.)</b>	<b>TOTAL BILLING Amount (Rs.)</b>
31 <sup>st</sup> March, 2007				
14,49,34,106/-	35,89,02,713/-	55,18,16,817/-	30,19,17,298/-	135,75,70,934/-
31 <sup>st</sup> March, 2006				
12,15,85,445/-	10,87,70,365/-	36,78,35,008/-	22,38,48,774/-	82,20,39,592/-

3.12      **Expenditure in Foreign Currency:**

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March, 2007 (Rs)</b>	<b>Year Ended 31<sup>st</sup> March, 2006 (Rs)</b>
<b>Membership</b>	1,16,088/-	--
Travelling	2,07,600/-	1,33,900/-
Machinery Hire Charges	--	14,17,750/-
<b>TOTAL</b>	3,23,688/-	15,51,650/-

3.13      **Stores Consumed:**

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March, 2007 (Rs)</b>	<b>Year Ended 31<sup>st</sup> March, 2006 (Rs)</b>
Indigenous(100% of total consumption)	50,64,14,606/-/-	31,04,88,546/-
<b>TOTAL</b>	50,64,14,606/-	31,04,88,546/-

**ANNEXURE – IV**

**STATEMENT OF CASH FLOW FROM THE RESTATED FINANCIAL STATEMENT**  
(Rs. in Lacs)

Sr. No	Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
<b>(A)</b>	<b>CASH FLOW STATEMENT FROM OPERATING ACTIVITIES</b>					
	Net Profit Before Tax	109.86	171.73	256.73	418.27	1186.18
	Adjustments for :-					
	Depreciation	33.57	45.15	64.11	82.92	98.25
	Interest (Net)	181.32	214.61	278.95	379.54	599.06
	(Gain)/Loss on sale of Fixed Assets	0.00	31.45	1.38	0.44	28.68
	(Gain)/Loss on sale of Investment	-0.22	-1.64	-	-	-
	Dividend	-0.08	-0.01	-0.04	-0.03	-0.04)
	Preliminary Expenses Written off	-	-	-	-	-
	Liability no longer required written back(Net)	1.29	-2.75	0.98	-1.82	0.00
	<b>Operating Profit Before Working Capital Changes</b>	<b>325.74</b>	<b>458.54</b>	<b>602.11</b>	<b>879.32</b>	<b>1186.18</b>
	<b>Adjustments for :-</b>					
	<b>Current Assets</b>					
	Trade & Other receivables	-245.22	61.12	-739.26	-1422.23	-2821.05
	Inventories	-144.74	-246.44	-220.71	-267.14	-1009.59
	<b>Increase/(Decrease) in Current Assets</b>	<b>-389.96</b>	<b>-185.32</b>	<b>-959.97</b>	<b>-1689.37</b>	<b>-3830.64</b>
	<b>Current Liabilities</b>					
	Trade Payables	256.87	330.65	260.27	-446.32	811.82
	<b>Increase/(Decrease) in Current Liabilities</b>	<b>256.87</b>	<b>330.65</b>	<b>260.27</b>	<b>-446.32</b>	<b>811.82</b>
	<b>Net Increase/(Decrease) in working capital</b>	<b>-133.09</b>	<b>145.33</b>	<b>-699.70</b>	<b>-2135.69</b>	<b>-3018.82</b>
	<b>Cash generated from opration</b>	<b>192.65</b>	<b>603.87</b>	<b>-97.59</b>	<b>-1256.37</b>	<b>-1106.69</b>
	Direct Taxes Paid	-17.51	-81.58	-39.40	95.80	-147.52
	<b>Total Cash Flow from Operation ( A )</b>	<b>175.14</b>	<b>522.29</b>	<b>-136.99</b>	<b>-1352.17</b>	<b>-1254.21</b>
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
	Purchase of Fixed Assets	-206.77	-450.02	-427.97	-358.84	-463.47
	Disposal of Fixed Assets	-	81.50	0.80	1.90	122.19
	Interest Received	16.97	15.49	21.99	34.95	34.34
	Purchase of Investment	-5.09	-0.48	-0.09	-80.00	-459.49
	Sale of Investments	2.93	6.72	-	-	-
	Dividend	0.08	0.01	0.04	0.03	0.04
	Inter-Corporate Deposit	8.00	-0.75	-	3.50	-
	<b>Net Cash Used in Investing Activities (B)</b>	<b>-183.88</b>	<b>-347.53</b>	<b>-405.23</b>	<b>-398.46</b>	<b>-766.39</b>

<b>(C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
	Proceeds from issue of Share Capital	-	-	120.00	1100.00	1787.13
	Proceeds from long term Borrowings	98.05	32.52	412.40	1585.24	1006.92
	Proceeds from Short term Borrowings	784.95	303.85	234.64	-	389.63
	Repayment of long term Borrowings	-691.02	-48.89	-0.32	-100.00	-515.88
	Repayment of short term Borrowings	-	-	-	-68.92	-
	Dividend Paid(Including Dividend Tax)	-	-	-	-	-71.66
	Share Issue expenses					-41.36
	Interest Paid	-198.57	-229.47	-298.16	-405.09	-657.97
	<b>Net Cash From Financing Activities (C)</b>	<b>-6.59</b>	<b>58.01</b>	<b>468.56</b>	<b>2111.23</b>	<b>1896.81</b>
<b>(D)</b>	<b>Net Increase / Decrease in Cash &amp; Cash Equivalent (A-B+C)</b>	<b>-15.33</b>	<b>232.77</b>	<b>-73.66</b>	<b>360.60</b>	<b>-123.79-</b>
	Opening Balance of Cash & Cash Equivalent	214.94	199.61	432.38	358.72	719.32
	<b>Closing Balance of Cash &amp; Cash Equivalent</b>	<b>199.61</b>	<b>432.38</b>	<b>358.72</b>	<b>719.32</b>	<b>595.53</b>

## ANNEXURE – V

## STATEMENTS OF SECURED LOANS

(Rs. in Lacs)

Sr. No.	Particulars of Loan	31.03.03	31.03.04	31.03.05	31.03.06	31.03.07
1	<b>Term Loan</b>					
	State Bank of India	-	-	-	-	-
	Bank Of Baroda	-	-	-	-	-
	HDFC Bank	3.96	0.31	-	-	-
	Citi Bank	-	-	164.00	165.88	-
	Uti Bank Ltd.	-	-	100.00	-	-
	Uco Bank	-	-	-	500.00	-
	Allahabad Bank	-	-	-	503.25	500.00
	Standard Chartered Bank	-	-	-	322.00	472.00
	IDBI Bank					1,000.00
	<b>Total:-</b>	<b>3.96</b>	<b>0.31</b>	<b>264.00</b>	<b>1,491.13</b>	<b>1,972.00</b>
2	<b>Cash Credit Account</b>					
	UCO Bank	685.45	792.95	989.75	702.69	949.39
	State Bank of India	302.81	0.92	-	-	-
	Bank of Baroda	297.97	297.09	284.70	299.47	499.76
	UTI Bank Ltd.	-	499.12	450.27	653.64	596.27
	<b>Total:-</b>	<b>1,286.23</b>	<b>1,590.08</b>	<b>1,724.72</b>	<b>1,655.80</b>	<b>2,045.42</b>
3	<b>FCNR(B) Loan from Bank of Baroda</b>					
		-	-	-	-	-
	<b>Total Secured Loan (1+2+3)</b>	<b>1,290.19</b>	<b>1,590.39</b>	<b>1,988.72</b>	<b>3,146.93</b>	<b>4,017.42</b>

## Principal Terms of Secured Loans &amp; Assets Charged As Security, as on 31.03.07

Lender & Type of Facility/Sanction Letter No.	Sanctioned Amount (Rs. in Lacs)	Outstanding As on 31.03.07 (Rs. in Lacs)	Rate of Interest	Repayment Terms	Details of Security
<b>Uco Bank</b> Cash Credit Lett.No.New/ADV/6 0/05-06	<b>1000.00</b>	949.39	1.00% over BPLR i-e 12.50% P.a on monthly rest	Payable within one year.	Secured by hypothecation of stocks, Work-in –progress, Book-debts and also charge of certain moveable plant & Machinery ranking pari passu with the Banks and by personal guarantees of Managing Director of the company.
<b>Bank of Baroda</b>	<b>500.00</b>	499.76	1.5% over BPLR	Payable within one	-Do-

Cash Credit Letter No.KMO/ADV/70/5 08			i-e 12.50% P.a on monthly rest	year	
<b>UTI Bank Ltd.</b> Cash Crdit Lett. No.KOL/CR0034/20 05-06 & KOL/CR- 283/2006-07	600.00	596.27	0.50% below PLRi-e11.5%	Payable within one year	-Do-
<b>IDBI</b> Term Loan Lett. No. IDBI.KBO No. 6014/SPL/(CLS)	1000.00	1000.00	1.25% below IDBI BPLR I.e. 11.50%	To be repayable in four monthly equal installments starting from May 1, 2007.	Secured by exclusive charge on the current assets of the projects financed under the term loan and by Corporate guarantee of the group Companies.
<b>Allahabad Bank</b> Term Loan Letter No.Cal.Main/ADV/2 006/66	500.00	500.00	PLR+1%	Moratorium upto January200 7. After moratorium the entire loan will be repaid in 4 equal monthly installments of Rs.125 lacs each starting from february 2007. Interest will be realized as and when due.	Secured by hypothecation of stocks, stores, spares, consumable, Work-in –progress, Book-debts,other current assets and also charge of moveable plant & Machinery both prsent and future related to the MANIPUR PROJECT ONLY in adition to that ranking pari passu 2nd Charge on the entire fixed Assets along with other Bankersof the Company and by personal guarantees of Managing Director of the company.
<b>Standard Chartered Bank</b> Term Loan Lett. No.- SME/SPL/003	500.00	472.00	9.25% p.a	Bullet repayment at the end of 12 <sup>th</sup> month i-e Sep. 07	Secured by a financial guarantee by UTI Bank for the equivalent amount.

## ANNEXURE – VI

**STATEMENT OF UNSECURED LOANS:**

(Rs. in Lacs)

Particulars	31.03.2002	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
From group / associate companies/directors/promoters	8.00	21.75	10.00	35.85	-	-
From Others(Non Related Party)	236.50	140.00	106.50	247.00	440.00	446.00
Fixed Deposite	32.01	57.01	61.76	120.76	150.51	155.01
Interest Accrued and Due	11.21	13.91	14.03	18.50	25.41	10.91
Interest Accrued but not Due	-	-	-	-	-	-
From Banks	-	-	-	-	-	-
<b>Total</b>	<b>287.72</b>	<b>232.67</b>	<b>192.29</b>	<b>422.11</b>	<b>615.92</b>	<b>611.92</b>

**Note :**As per the Management except as stated in the “Related Party Disclosures” (Annexure XVII) , none of the beneficiaries of Unsecured Loans are Directors of the Company or Promoters of the Company or related to the directors of the Company or promoters of the Company or to the company in any way

## ANNEXURE – VII

**DETAILS OF INVESTMENTS**

(Rs. in Lacs)

Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
Govt. Securities	1.78	1.78	1.78	1.78	1.78
Quoted Shares	5.09	0.48	0.57	0.57	0.57
Unquoted Shares	63.57	63.56	63.57	143.57	603.06
<b>Total</b>	<b>70.44</b>	<b>65.82</b>	<b>65.92</b>	<b>145.92</b>	<b>605.41</b>
Aggregate market value of quoted Investments	5.09	1.03	1.51	1.51	1.14

## ANNEXURE – VIII

**STATEMENT OF SUNDRY DEBTORS**

(Rs. in Lacs)

Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
More than Six Months	344.7	304.61	691.02	738.09	1195.54
Less than Six Months	1363.82	1902.78	2314.02	3007.91	4106.44
<b>Total</b>	<b>1708.52</b>	<b>2207.39</b>	<b>3005.04</b>	<b>3746.00</b>	<b>5301.98</b>

**Note :**As per the Management except as stated in the “Related Party Disclosures” (Annexure XVII), none of our Sundry Debtors are related to the directors or promoters or associated to the company in any way other than as a debtors.

## ANNEXURE-IX

### LOANS AND ADVANCES

(Rs. in Lacs)					
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
Loans	2.75	3.50	3.50	-	-
<b>Advances(Recoverable in cash or in kind or value to be received, considered good)</b>					
Advances to Subsidiary(Interest Free)	-	-	-	550	920.89
Advances against supply and services	205.94	-	-	-	-
Income Tax Advance(Net of Income Tax)	48.43	116.76	136.42	196.95	206.54
Advance Fringe Benefit Tax					4.60
Staff Advance	13.19	19.55	25.16	56.27	97.88
Other Advancess	5.54	34.98	42.15	126.97	338.76
Deposits	15.72	24.99	21.21	31.72	332.48
Interest Receivable	23.15	25.94	31.94	31.04	45.2
<b>Total</b>	<b>314.72</b>	<b>225.72</b>	<b>260.38</b>	<b>992.95</b>	<b>1,946.35</b>

As per the Management except as stated in the “Related Party Disclosures” (Annexure XVII), none of the beneficiaries of Loans And Advances are Directors of the Company or Promoters of the Company or related to the directors of the Company or promoters of the Company or to the company in any way.

## ANNEXURE – X

### DETAILS OF CURRENT LIABILITIES & PROVISIONS

(Rs. in Lacs)					
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
<b>A. CURRENT LIABILITIES</b>					
Acceptances	148.20	245.00	271.45	30.00	85.42
Sundry Creditors	1011.01	987.10	1188.52	995.03	1637.39
Advances from Clients	339.69	940.82	1012.52	1006.03	673.37
Other Liabilites	203.64	250.94	293.33	282.25	394.16
<b>Total Current Liabilities</b>	<b>1702.54</b>	<b>2423.86</b>	<b>2765.82</b>	<b>2313.31</b>	<b>2790.34</b>
<b>B. PROVISIONS</b>					
Dividend Payable	-	-	-	62.85	67.50
Tax on Dividend	-	-	-	8.81	11.47
Fringe Benefit Tax	-	-	-	-	5.77
<b>Total Provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71.66</b>	<b>84.74</b>
<b>Total (A+B)</b>	<b>1702.54</b>	<b>2423.86</b>	<b>2765.82</b>	<b>2384.97</b>	<b>2875.08</b>

**Note :**As per the Management except as stated in the “Related Party Disclosures” (Annexure XVII), none of the beneficiaries of Current Liabilities & Provisions are Directors of the Company or Promoters of the Company or related to the directors of the Company or promoters of the Company or to the company in any way

# ANNEXURE – XI

## DETAILS OF OTHER INCOME

(Rs. in Lacs)

Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
Interest	19.95	14.99	23.68	35.71	48.51
Dividend	0.08	0.01	0.04	0.03	0.04
Liability no longer required (Net)	-	2.76	-	1.82	-
Miscellaneous Receipts	5.76	1.63	-	-	-
<b>Total</b>	<b>25.79</b>	<b>19.39</b>	<b>23.72</b>	<b>37.56</b>	<b>48.55</b>

**Note :**As per the Management except as stated in the “Related Party Disclosures” (Annexure XVII), none of the beneficiaries of Other income are Directors of the Company or Promoters of the Company or related to the directors of the Company or promoters of the Company or to the company in any way.

# ANNEXURE – XII

## STATEMENT OF TAX SHELTERS

(Rs. in Lacs)

Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
Tax Rate (Including Surcharge and Education Cees (%))	36.75	35.70	36.60	33.66	33.66
Net Profit before Tax & Extra Ordinary items	109.86	171.73	256.73	418.27	1186.18
Tax at Notional Rate	40.37	61.31	93.96	140.79	399.27
<b>Adjustment</b>					
<b>Temporary Differences</b>					
Depreciation	41.10	31.05	147.51	67.93	80.52
<b>Total (A)</b>	<b>41.10</b>	<b>31.05</b>	<b>147.51</b>	<b>67.93</b>	<b>80.52</b>
<b>Permanent Differences</b>					
Profit/(Loss) on Sale of Fixed Assets/Investment	0.22	0.00	0.00	-0.44	-28.68
Disallowance U/s 40a (3)	-0.47	-0.97	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Dividend Received	0.00	0.01	0.04	0.03	0.04
Bonus	0.21	-0.01	-	-	-
Deduction U/S 80-IA		141.04	107.99	356.18	675.19
Deduction U/S 80G					-10.12
<b>Total (B)</b>	<b>-0.04</b>	<b>140.07</b>	<b>108.03</b>	<b>355.77</b>	<b>636.43</b>
<b>Net Adjustment (A+B)</b>	<b>41.06</b>	<b>171.12</b>	<b>255.54</b>	<b>423.70</b>	<b>716.95</b>
Tax Saving thereon	15.09	61.09	93.53	142.62	241.33



<b>Total taxation (C)</b>	<b>25.28</b>	<b>0.22</b>	<b>0.44</b>	<b>-1.83</b>	<b>157.94</b>
Taxation on extra ordinary items	-	-	-	-	-24.86
Taxable income as per provisions of MAT	109.28	171.10	255.50	423.67	1186.14
<b>Tax Payable as per provisions of MAT (D)</b>	<b>8.61</b>	<b>13.15</b>	<b>20.03</b>	<b>35.65</b>	<b>133.08</b>
<b>Net Tax payable as per I. T. Returns</b>	<b>23.12</b>	<b>13.15</b>	<b>20.03</b>	<b>35.65</b>	<b>133.08</b>
(higher of C or D above)					

**Notes:** The figures for all the above years are as per the return of income filed and audited balance sheet as restated except for figures pertaining to the year ended 31st March, 2007

#### ANNEXURE – XIII

#### STATEMENT OF DIVIDEND

(Rs.In Lacs)

Particulars	31.03.2002	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
Equity Share Capital	175.00	175.00	175.00	199.00	419.00	900.00
(Face Value 10/-)						
Rate of Dividend (%)	-	-	-	-	15.00	7.50
Amount of Dividend	-	-	-	-	62.85	67.50
Corporate Dividend Tax	-	-	-	-	8.81	11.47

#### ANNEXURE-XIV

#### ACCOUNTING RATIOS

Particulars	31.03.2002	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
Earnings Per Share (Rs.)	1.97	1.91	3.64	5.16	10.06	15.47
Return on Net Worth (%)	13.57	13.86	20.90	19.89	16.38	20.80
Net Asset Value/Book Value per share (Rs.)	29.45	27.89	35.26	46.23	55.59	56.06

#### Notes to Accounting Ratio:

1. Earning per share represents earning per share calculated on the basis of Adjusted profit divided by the weighted average number of equity shares (Basic/Diluted) as at the end of the year.
2. Return on Net Worth as a percentage represents Adjusted profit after tax divided by Net Worth at the end of the each financial year.
3. Net Asset value has been computed on the basis of Net Equity Method (Net Worth at the end of each financial year divided by the number of Equity Shares at the end of the each financial year).
4. Profit & Loss as restated has been considered for the purpose of computing the above ratios.

## ANNEXURE-XV

## CAPITALISATION STATEMENT

(Rs. in Lacs)

<b>Particular</b>	<b>Pre-Issue as at 31.03.2007</b>	<b>Post-Issue*</b>
<b>Borrowings</b>		
<b>Secured</b>		
Short Term Debts	2,045.42	
Long Term Debts	1,972.00	
Unsecured Debts	611.92	
<b>Total Borrowings</b>	<b>4629.34</b>	
<b>Shareholder's Fund</b>		
Equity Share Capital	900.00	
Reserve & Surplus	4186.62	
Less: Miscellaneous Expenditure to the extent not written off	41.36	
<b>Total Shareholder's Fund</b>	<b>5045.26</b>	
<b>Long Term Debt/Equity</b>	<b>0.39</b>	

\*Post issue capitalisation cannot be determined till the completion of the Book-Building Process.

## ANNEXURE – XVI

## DETAILS OF CONTINGENT LIABILITIES NOT PROVIDED IN THE BOOKS

(Rs. in Lacs)

Sr. No.	Particular	31.03.2002	31.03.2003	31.03.2004	31.03.2005	31.03.2006
1	Bank Guarantee	952.3	2195.97	2532.03	3953.37	4601.26
2	Letter of Credit	-	-	-	253.43	87.63
3	Service Tax	-	-	-	531.24	531.24
4	Customs Duty	-	-	-	23.88	23.88
	<b>Total</b>	<b>952.30</b>	<b>2,195.97</b>	<b>2,532.03</b>	<b>4,761.92</b>	<b>5,244.01</b>

**STATEMENT OF RELATED PARTIES TRANSACTIONS**

Transaction with related party as identified by the management in accordance with Accounting Standard 18 “Related party disclosures” issued by The Institute of Chartered Accountants of India, is as follows:

**I. Related Parties and their Relationships:**

Name of Related Parties	Nature of Relationships
Mr. B.K. Mundhra	Key Management Personnel
Mr. J.K. Bagri	..... Do.....
Mr. R.D. Mundhra	..... Do.....
Mr. S.D. Mundhra	..... Do.....
M/s. Simpark Infrastructure Pvt. Ltd.	Subsidiary
M/s. Bharat Gypsum Pvt. Ltd.	Entities in which Key Management Personnel or Relatives of Key Management Personnel have substantial interest
M/s. Pioneer Engineering Co. Pvt. Ltd.	-Do-
M/s. Datson Exports Ltd.	-Do-
M/s. Simplex Fiscal Holdings Pvt. Ltd	-Do-
M/s. Kirti Vinimay Pvt. Ltd.	-Do-

**II. Material Transactions with Related Parties During the year ended 31<sup>st</sup> March :****(Rs. In Lacs)**

Particulars	Nature of Transaction	31.03.2002	31.03.2003	31.03.2004	31.03.2005	31.03.2006
<b>Key Management Personnel</b>						
Mr. B.K.Mundhra	Managerial Remuneration	-	-	-	-	7.36
Mr. J.K.Bagri	DO	2.78	3.31	3.59	3.90	6.95
Mr. R.D.Mundhra	DO	1.81	1.85	1.85	2.12	3.83
Mr. S.D.Mundhra	DO	-	-	-	-	3.18
<b>Subsidiary</b>						
Simpark Infrastructure Pvt. Ltd.	Subcontracting income	309.69	13.70	29.40	-	-
-do-	Rendering of Services	-	-	-	-	1.20
-do-	Loans and Advances given (Interest free)	-	-	-	-	662.89

Outstanding Balances as on 31 <sup>st</sup> March						
Simpark Infrastructure Pvt.	Loans and Advances given	-	-	-	-	920.89
-do-	Sundry Debtors	-	43.72	8.23	-	209.50
-do-	Other Current Assets	9.26	12.06	18.26	11.24	69.42
<b>Entities in which Key Management Personnel or Relatives of Key Management Personnel have substantial interest</b>						
Datson Exports Ltd.	Rent and Maintenance Paid	-	-	-	0.63	0.63
Kirti Vinimay Pvt. Ltd.	-do-					12.00
Mundhra Estate	-do-	-	-	-	-	0.46
Pioneering Engg Co. Pvt. Ltd.	Interest Paid	1.17	6.68	2.04	-	-
Bharat Gypsum Pvt. Ltd.	-do-	-	2.21	0.60	0.02	-
Datson Exports Ltd.	-do-	-	0.09	-	-	-
Kirti Vinimay Pvt. Ltd.	-do-	-	-	0.23	-	-
Simplex Fiscal Holdings Pvt. Ltd.	-do-	-	-	0.56	-	-
Kirti Vinimay Pvt. Ltd.	Interest Received	-	-	-	0.43	2.13
Simplex Fiscal Holdings Pvt. Ltd.	-do-	-	-	-	3.20	-
Pioneering Engg Co. Pvt. Ltd.	-do-	-	-	-	0.91	6.95
Bharat Gypsum Pvt. Ltd.	-do-	-	-	-	-	-
Datson Exports Ltd.	Finance, Hire and Service Charges Paid	1.55	1.62	0.91	3.00	-
Pioneering Engg Co. Pvt. Ltd.	-DO-	-	-	-	-	74.54
Datson Exports Ltd.	Leasing or Hire purchase arrangements	14.94	4.39	-	25.38	11.06
Kirti Vinimay Pvt. Ltd.	Loans and Advances given	--	2.5	-	-	250.00
Bharat Gypsum Pvt. Ltd.	-DO-	-	-	2.00	-	-
Pioneering Engg Co. Pvt. Ltd.	-DO-	-	-	-	-	129.50

Bharat Gypsum Pvt. Ltd.	Loans and Advances Taken	-	75.25	33.00	8.00	-
Pioneering Engg Co. Pvt. Ltd.	-DO-	-	79.25	43.00	-	-
Kirti Vinimay Pvt. Ltd.	-DO-	-	5.00	5.00	-	-
Vasudha Vanijya Pvt. Ltd.	-DO-			102.00		-
Kirti Vinimay Pvt. Ltd.	Deposits	-	-	-	-	-
<b>Outstanding Balances as on 31<sup>st</sup> March</b>						
Bharat Gypsum Pvt. Ltd.	Loans and Advances given	-	-	2.00	-	-
Pioneering Engg Co. Pvt. Ltd.	-DO-	-	-	-	3.50	5.39
Kirti Vinimay Pvt. Ltd.	-DO-	-	-	-	0.34	0.46
Vasudha Vanijya Pvt. Ltd.	-DO-	-	-	-	2.08	0.01
Pioneering Engg Co. Pvt. Ltd.	Loan and Advances taken	7.94	33.47	3.09	-	-
Kirti Vinimay Pvt. Ltd.	-DO-	0.27		0.18	3.00	-
Vasudha Vanijya Pvt. Ltd.	-DO-			12.45	32.40	-
Bharat Gypsum Pvt. Ltd.	-DO-			0.87	1.34	-
Pioneer Engg Co. Pvt. Ltd.	Other Current Assets	-	-	-	32.69	69.50
Datson Exports Ltd.	-Do-	-	-	-	12.34	13.48
Pioneering Engg Co. Pvt. Ltd.	Current Liabilities	2.09	3.72	14.99	10.98	0.87
Datson Exports Ltd.	-DO-	4.17	1.15	21.63	13.02	-
Mundhra Estate	-DO-					0.31
Datson Exports Ltd.	Deferred Payment Liabilities	9.27	8.10	2.74	19.30	3.23

## **Auditor's Report**

**The Board of Directors,  
Simpark Infrastructure Private Limited,  
12/1, Nellie Sengupta Sarani,  
Kolkata-700087**

We have examined the annexed financial information of **Simpark Infrastructure Private Limited** ('the Company') for the three years ended 31<sup>st</sup> March, 2005, 31<sup>st</sup> March, 2006 and 31<sup>st</sup> March, 2007 being the last date to which the accounts of the Company have been made up and audited by us, in accordance with the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'); The Securities and Exchange Board of India (Disclosure and investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by Securities and Exchange Board of India ('SEBI') on January, 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments from time to time and our terms of reference received from the company vide their letter dated 8<sup>th</sup> June, 2007 requesting us to carry out work for the purpose of inclusion in the Offer Document of the Company in connection with the proposed Initial Public Offer by M/s Simplex Projects Limited, the holding company of the company. The financial information has been prepared by the company and approved by the Board of Directors. At the date of signing this report, we are not aware of any material adjustment, which would affect the result shown by these accounts in accordance with the requirement of Part II of Schedule II to the Companies Act, 1956.

We have examined the Statement of restated assets and liabilities of the Company as at 31<sup>st</sup> March, 2005, 31<sup>st</sup> March, 2006 and 31<sup>st</sup> March, 2007 (Annexure 1), Statement of restated profit and losses (Annexure-II) and Statement of restated cash flow (Annexure-IV) for the year ended 31<sup>st</sup> March, 2005, 31<sup>st</sup> March, 2006 and 31<sup>st</sup> March, 2007 annexed to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate. Based on our examination of the above statements we report as follows:

- i) The summary statements of the Company have been restated with retrospective effect to reflect the significant accounting policies adopted by the Company as at 31<sup>st</sup> March, 2005, 31<sup>st</sup> March, 2006 and 31<sup>st</sup> March, 2007 as stated in Annexure- III to this report. The summary statements have to be read in conjunction with the notes given in Annexure- III to this report.
- ii) The restated 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 in the year/period to which they are related as described in para 2.1 of notes to accounts in Annexure III to this report.
- iii) There are no qualifications in the auditors' report that require any adjustment to the summary statements as disclosed in note 2.2 of Annexure III.

We have examined the following financial information relating to the Company, proposed to be included in the Offer Document, as approved by the Board and annexed to this report.

- xv. Statement of Cash Flow as appearing in 'Annexure IV' ;
- xvi. Statement of Secured Loans as appearing in 'Annexure V';
- xvii. Statement of Unsecured Loans as appearing in 'Annexure VI';
- xviii. Details of Investments as appearing in 'Annexure VII';
- xix. Statement of Debtors as appearing in 'Annexure VIII';
- xx. Details of loans and advances as appearing in 'Annexure IX';
- xxi. Details of current liabilities and provisions as appearing in 'Annexure X';
- xxii. Details of other income as appearing in 'Annexure XI';
- xxiii. Statement of Tax Shelter as appearing in 'Annexure XII';
- xxiv. Statement of Dividends as appearing in 'Annexure XIII';
- xxv. Accounting Ratios as appearing in 'Annexure XIV';
- xxvi. Capitalisation Statement as appearing in 'Annexure XV';

- xxvii. Details of Contingent Liabilities as appearing in 'Annexure XVI';
- xxviii. Statement of Related Parties transactions as appearing in 'Annexure XVII';

In our opinion the above financial information of the Company read with Significant Accounting Policies enclosed in Annexure III to this report, after making adjustments/restatements and regroupings as considered appropriate and subject to certain matters as stated in the Notes to the Accounts, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

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

**FOR CHATURVEDI & COMPANY**  
**Chartered Accountants**

**(Nilima Joshi)**  
**Partner**  
Membership No.52122

Place: Kolkata  
Date: 23<sup>rd</sup> June, 2007.



**STATEMENT OF ASSETS & LIABILITIES (AS RESTATED)**

(Rs. in Lacs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>31.03.2005</b>	<b>31.03.2006</b>	<b>31.03.2007</b>
<b>A</b>	<b>Fixed Assets</b>			
	Gross Block	916.53	929.24	2369.94
	Less : Depreciation	148.38	195.16	248.19
	Net Block	768.15	734.08	2121.75
	Capital Work in Progress	5.00	-	-
	<b>Total</b>	<b>773.15</b>	<b>734.08</b>	<b>2,121.75</b>
<b>B</b>	<b>Investment</b>	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>
<b>C</b>	<b>Current Assets, Loans &amp; Advances</b>			
	Inventories (Project Work-in-Progress)	1833.37	2837.02	847.58
	Sundry Debtors	3.21	3.97	826.19
	Cash and Bank Balances	4.51	3.08	21.83
	Other Current Assets	4.73	7.12	10.32
	Loans and Advances	161.34	99.43	-
	<b>Total</b>	<b>2007.16</b>	<b>2950.62</b>	<b>1705.92</b>
<b>D</b>	<b>Liabilities and Provisions</b>			
	Secured Loans	1,767.35	1,706.55	1,775.08
	Unsecured Loans	438.76	131.42	80.21
	Deposit From CMC(Long Term)	300.00	300.00	300.00
	Current Liabilities & Provisions	161.99	1469.09	1286.88
	<b>Total</b>	<b>2,668.10</b>	<b>3,607.06</b>	<b>3,442.17</b>
<b>E</b>	<b>Net Worth (A+B+C-D)</b>	<b>113.05</b>	<b>78.48</b>	<b>386.34</b>
<b>F</b>	<b>Represented by</b>			
	Equity Share Capital	278.52	278.52	278.52
	Preference Share Capital	-	-	-
	Share Application Money	-	-	-
	Reserves & Surplus	-	-	107.82
	Less : Miscellaneous Expenses To the extent not written off)	0.02	-	-
	Profit & Loss Account	-165.45	<b>-200.04</b>	-
	<b>Net Worth</b>	<b>113.05</b>	<b>78.48</b>	<b>386.34</b>

## ANNEXURE – II

## STATEMENT OF PROFIT &amp; LOSS (AS RESTATED)

(Rs. in Lacs)

<b>Sr.No.</b>	<b>Particulars</b>	<b>31.03.2005</b>	<b>31.03.2006</b>	<b>31.03.2007</b>
<b>A</b>	<b>Income</b>			
	Income From Operations	32.96	39.92	47.74
	Fee For Amenities	8.46	12.33	12.57
	Income From Lease Premium	-	-	2046.79
	Closing Projects Work-in-Progress	1833.37	2837.02	847.58
	Other Income	1.13	2.78	6.85
	<b>Total</b>	<b>1875.92</b>	<b>2892.05</b>	<b>2961.53</b>
<b>B</b>	<b>Expenditure</b>			
	Operating & Maintaining Expenses	17.18	16.79	17.89
	Cost of Completed Project	-	-	1658.12
	Project Work-in-Progress	1833.37	2837.02	847.58
	Preliminary Expenses Written off	0.02	0.02	-
	<b>Total</b>	<b>1850.57</b>	<b>2853.83</b>	<b>2523.59</b>
<b>C</b>	Net Profit before Interest, Depreciation, Tax and Extra-Ordinary items	25.35	38.22	437.94
	Depreciation	46.06	46.78	53.02
	Interest & Financial Charges	33.70	25.92	37.86
	<b>Profit / Loss before Tax but before Extra – ordinary Items</b>	<b>-54.41</b>	<b>-34.48</b>	<b>347.06</b>
	Provision for Taxation			
	- Current Tax		-	38.95
	- Deferred Tax		-	-
	- Fringe Benefit Tax	-	0.11	0.25
<b>D</b>	<b>Profit / Loss after Tax but before Extra – ordinary Items</b>	<b>-54.41</b>	<b>-4.59</b>	<b>307.86</b>
	Extra-ordinary Items		-	
	(Add)/Less Taxation Adjustment		-	-
	Effect of change in accounting policy on account of deferred tax provisions	-	-	-
<b>E</b>	<b>Profit/Loss after Extra-ordinary Items</b>	<b>-54.41</b>	<b>-34.59</b>	<b>307.86</b>
	Add:Balance b/f from last year	-111.04	-165.45	-200.04
	<b>Profit available for appropriation</b>	<b>-165.45</b>	<b>-200.04</b>	<b>107.82</b>
	Proposed Dividend			-
	Tax thereon		-	-
	Transfer to General Reserve		-	-
	<b>Profit Transferred to B/S</b>	<b>-165.45</b>	<b>-200.04</b>	<b>107.82</b>

**NOTES FORMING PART OF THE RESTATED SUMMARY STATEMENTS****1 SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Accounting**

The Company prepares its financial statements on accrual basis, unless otherwise stated, in accordance with the generally accepted accounting principles and the Accounting Standards (AS) referred to in Section 211(3C) of the Companies Act, 1956.

**1.2 Revenue Recognition**

- a) Fee collections from users of facility are accounted for when the amount is due and recovery is certain.
- b) Fee for amenities are accounted for on accrual basis and are net of Service tax, if any.
- c) Revenue from Commercial Real estate (received as lease premium) is recognised on making the initial agreement with the parties and receipt of substantial amount of total lease premium value.
- d) The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined.

**1.3 Cost of construction / development**

Cost of Construction / development incurred is charged to the Profit & Loss account proportionate to project area sold. Adjustment, if required, are made in project work in progress.

The estimated salable area cost of the project as determined, is based on management's estimate of the cost expected to be incurred till the final completion of the project and includes material, services and other related overheads. The effect of such changes to estimates is recognized in the period such changes are determined.

**1.4 Fixed Assets**

Fixed assets are stated at original cost. Pre-operative expenses are capitalized as part of fixed assets till the date of commencement of commercial operations. Interests during construction period of the fixed assets are capitalized as a part of cost of asset, in so far as such expenses relate to the period prior to commercial operations.

**1.5 Project work-in-progress**

Work-in-progress comprises cost of material, services and other related overheads related to projects under construction.

**1.6 Depreciation**

Depreciation on certain assets is provided on straight line basis at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956. Assets constructed on land not owned by the company were amortized over a period of the rights given under the concession agreement as referred to in Note 2 hereinafter.

**1.7 Impairment of assets**

The Company identifies impair able assets based on individual assets or cash generating unit concept at the year end in the term of paragraphs 5 – 13 of AS – 28 issued by ICAI for the purpose of arriving at impairment loss

thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, if any, is charged to the profit and loss accounts.

## **1.8 Retirement Benefits**

No provision for leave encashment has been made as all the employees are to avail the leave benefit within end of the financial year.

## **1.9 Material Events**

Material Events occurring after the date of Balance Sheet are taken into cognizance.

## **1.10 Investment**

There is no decline in the market value of long term quoted Investment.

## **1.11 Deferred Tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax Liability is recognized being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

## **2. NOTES TO ACCOUNTS**

- 2.1 The Kolkata Municipal Corporation (KMC) has entered into an agreement dated 8.11.1999 with M/s Simplex Projects Ltd.(SPL) for installation, development and maintenance of Multilevel Computerised Car Parking System (hereinafter referred to as 'RSPP') at Rawdon Street, Kolkata. SPL, with the consent of KMC has nominated the Company to carry out the said project, which is on Built-Own-Operate-Transfer (BOOT) basis for a period of 20 years. (KMC has given a deposit of Rupees three crores to SPL as interest free deposit, to be refunded to them only out of the profits earned under a joint venture with KMC to develop commercial complex on a land to be allotted by KMC. The same has been adjusted by SPL against civil and other work of the project undertaken by them. The company has, accordingly, accounted for the said deposit and adjusted the same on completion of execution of civil and other work by SPL).

Similarly, the said SPL has entered into another agreement dated 21/10/2002 with the KMC for installation, development and maintenance of another 'Multilevel Underground Car Parking System' at New Market, Lindsay Street, Kolkata (hereinafter referred to as 'NMP'). The said New Market Project has two levels basement, of which the upper basement has been utilized for the purpose of commercial development for which the company will enter into a lease agreement for an initial period of sixty year with KMC. Some agreements for transfer of Commercial space to shop owner have been made and revenue to be realized on the same has been accounted as Income from Lease Premium.

- 2.2 The company started the commercial operation of the New Market Project from 1st March,2007 and accordingly the income & expenses thereafter has been taken into the Profit & Loss Account.
- 2.3 Estimated amount of Contracts to be executed on Capital Account and not provided for - **NIL** (Previous year Rs.1,40,78,579/-).
- 2.4 The Company is a service company and accordingly information required under paragraph 4(c) of Part II of Schedule VI to the Companies Act, 1956 has not been furnished.
- 2.5 Payment against supplies from small scale and ancillary undertakings are made in accordance with the agreed credit terms and to the extent ascertained from available information. There was no amount overdue as on 31<sup>st</sup> March, 2007.

## **2.6 Earnings per share:**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. Diluted earning per equity shares are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

## 2.7 Segment Reporting:

Information about Business Segments – Information provided in respect of revenue items for the year ended 31<sup>st</sup> March, 2007 and in respect of assets and liabilities as at 31<sup>st</sup> March, 2007.

(Rs. in Lacs)

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2007	For the Year ended 31 <sup>st</sup> March, 2006
1	<b>Segment Revenue</b>		
	Multilevel Car Parking	8.99	5.49
	Commercial Development	287.16	283.70
	Others	0.06	0.05
	<b>Total</b>	<b>2836.15</b>	<b>2892.06</b>
2	<b>Segment Results</b>		
	Multilevel Car Parking	-28.89	-12.59
	Commercial Development	376.40	-
	Others	-0.45	-0.33
	<b>Profit Before Tax</b>	<b>347.06</b>	<b>-26.18</b>
3	<b>Segment Assets</b>		
	Multilevel Car Parking	2160.06	744.14
	Commercial Development	1715.16	2839.56
	Others	3.30	1.55
	<b>Total</b>	<b>3878.51</b>	<b>3585.26</b>
4	<b>Segment Liabilities</b>		
	Multilevel Car Parking	146.19	192.18
	Commercial Development	2995.57	2998.16
	Others	11.09	11.84
	<b>Total</b>	<b>3152.86</b>	<b>3202.18</b>
6	<b>Depreciation</b>		
	Multilevel Car Parking	53.02	138.48
	Commercial Development	-	-
	Others	-	-
		<b>53.02</b>	<b>138.48</b>

## 2.8 Deferred Tax Asset :

The deferred tax asset in the beginning as well as during the year has not been recognized, on prudence basis, in accordance with Accounting Standard – 22 issued by the Institute of Chartered Accountants of India, as there is no reasonable certainty for future taxable income against which it can be realized.

## 2.9 C.I.F. Value of Imports:

(Rs. In Lacs)

Particulars	31 <sup>st</sup> March,2007	31 <sup>st</sup> March,2006
Raw Materials/Machinery	195.02	8.27
<b>Total</b>	<b>195.02</b>	<b>8.27</b>

## 2.10 Expenditure in Foreign Currency:

(Rs. In Lacs)

Particulars	31 <sup>st</sup> March,2007	31 <sup>st</sup> March,2006
Travelling	18.51	10.45
<b>Total</b>	<b>18.51</b>	<b>10.45</b>

## ANNEXURE – IV

## STATEMENT OF CASH FLOW FROM THE RESTATED FINANCIAL STATEMENT

(Rs. In Lacs)

Sr. No	Particulars	31.03.2005	31.03.2006	31.03.2007
(A)	<b>CASH FLOW STATEMENT FROM OPERATING ACTIVITIES</b>			
	Net Profit Before Tax	-54.41	-34.48	347.06
	Adjustments for :-			
	Depreciation	46.06	46.78	53.02
	Interest (Net)	33.7	25.92	37.86
	Dividend	-0.05	-0.04	-0.06
	Preliminary Expenses Written off	0.02	0.02	-
	<b>Operating Profit Before Working Capital Changes</b>	<b>25.32</b>	<b>38.20</b>	<b>437.88</b>
	<b>Adjustments for :-</b>			
	<b>Current Assets</b>			
	Trade & Other receivables	138.46	59.07	-727.67
	Inventories	713.80	-1003.65	1989.44
	<b>(Increase)/Decrease in Current Assets</b>	<b>852.26</b>	<b>-944.58</b>	<b>1261.77</b>
	<b>Current Liabilities</b>			
	Trade Payables	144.10	1306.98	-221.41
	<b>Increase/(Decrease) in Current Liabilities</b>	<b>144.10</b>	<b>1306.98</b>	<b>-221.41</b>
	<b>Net Increase/(Decrease) in working capital</b>	<b>708.16</b>	<b>362.40</b>	<b>1040.36</b>
	<b>Cash generated from operation</b>	<b>-682.84</b>	<b>400.60</b>	<b>1478.24</b>
	Direct Taxes Paid	0.23	-0.31	1.68
	<b>Total Cash Flow from Operation ( A )</b>	<b>-682.61</b>	<b>400.29</b>	<b>1479.92</b>
(B)	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets	-8.69	-7.70	-1,440.70
	Investments	-0.31	0.00	-
	Dividend	0.05	0.04	0.06
	<b>Net Cash Used in Investing Activities (B)</b>	<b>-8.95</b>	<b>-7.66</b>	<b>-1440.64</b>
(C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from long term Borrowings	683.89	-432.88	61.62
	Proceeds from Short term Borrowings		61.08	
	Repayment of long term Borrowings			
	Repayment of short term Borrowings			-40.58
	Interest Paid	-38.34	-22.26	-41.57
	<b>Net Cash From Financing Activities (C)</b>	<b>645.55</b>	<b>-394.06</b>	<b>-20.53</b>
(D)	<b>Net Increase / Decrease in Cash &amp; Cash Equivalent (A-B+C)</b>	<b>-46.01</b>	<b>-1.43</b>	<b>18.75</b>
	Opening Balance of Cash & Cash Equivalent	50.52	4.51	3.08
	<b>Closing Balance of Cash &amp; Cash Equivalent</b>	<b>4.51</b>	<b>3.08</b>	<b>21.83</b>

**ANNEXURE – V****STATEMENTS OF SECURED LOANS**

(Rs. in Lacs)

S.No.	Particulars of Loan	31.03.2005	31.03.2006	31.03.2007
1	<b>Term Loan</b>			
	Uco Bank	201.23	161.25	125.29
	Uco Bank	1566.12	1,539.22	1,649.79
	Temporary Overdraft from UCO Bank	-	6.08	-
	<b>Total:-</b>	<b>1,767.35</b>	<b>1,706.55</b>	<b>1,775.08</b>
	<b>Total Secured Loan (1)</b>	<b>1,767.35</b>	<b>1,706.55</b>	<b>1,775.08</b>

**ANNEXURE – VI****STATEMENT OF UNSECURED LOANS:**

(Rs. In Lacs)

Particulars	31.03.2005	31.03.2006	31.03.2007
From group / associate companies/directors/promoters	431.00	65.00	52.00
From Others(Non Related Party)	4.50	59.50	25.00
From Banks		-	-
Interst Accrued and Due	3.26	6.92	3.21
<b>Total</b>	<b>438.76</b>	<b>131.42</b>	<b>80.21</b>

Note : As per the Management except as stated in the “Related Party Disclosures” ( Annexure XVII ), none of the beneficiaries of Unsecured Loans are Directors of the Company or Promoters of the Company or related to the directors of the Company or promoters of the Company or to the company in any way

**ANNEXURE – VII****DETAILS OF INVESTMENTS**

(Rs. in Lacs)

Particulars	31.03.2005	31.03.2006	31.03.2007
Quoted Shares	0.84	0.84	0.84
<b>Total</b>	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>
Aggregate market value of quoted Investments	1.84	1.84	1.76



**ANNEXURE – VIII****STATEMENT OF SUNDRY DEBTORS**

(Rs. In Lacs)

Particulars	31.03.2005	31.03.2006	31.03.2007
More than Six Months	0.24	0.24	402.08
Less than Six Months	2.97	3.73	424.11
<b>Total</b>	<b>3.21</b>	<b>3.97</b>	<b>826.19</b>

Note : As per the Management except as stated in the “Related Party Disclosures” ( Annexure XVII ), none of the Sundry Debtors are related to the directors or promoters or associated to the company in any way other than as a debtor

**ANNEXURE – IX****LOANS & ADVANCES AND OTHER CURRENT ASSETS**

(Rs. In Lacs)

Particulars	31.03.2005	31.03.2006	31.03.2007
<b>Loan and Advances(Recoverable in cash or in kind or value to be received, considered good)</b>			
Advances against supply and services	161.34	99.43	-
<b>Total(A)</b>	<b>161.34</b>	<b>99.43</b>	<b>-</b>
<b>Other Current Assets</b>			
Tax Deducted at Source	3.26	3.57	5.25
Prepaid Expenses	1.04	0.46	1.33
Security Deposit	0	1.88	2.88
Advance to Staff	0.43	1.21	0.86
<b>Total (B)</b>	<b>4.73</b>	<b>7.12</b>	<b>10.32</b>
<b>Total (A+B)</b>	<b>166.07</b>	<b>106.55</b>	<b>10.32</b>

Note : As per the Management except as stated in the “Related Party Disclosures” ( Annexure XVII ), none of the beneficiaries of loans & advances are Directors of the Company or Promoters of the Company or related to the directors of the Company or promoters of the Company or to the company in any way

**ANNEXURE – X****DETAILS OF CURRENT LIABILITIES & PROVISIONS**

(Rs. in Lacs)

Particulars	31.03.2005	31.03.2006	31.03.2007
<b>A. CURRENT LIABILITIES</b>			
Sundry Creditors	92.74	481.00	286.28
Advance Against Contract	4.47	5.45	1.63
Advances Against Lease Premium	59.23	421.59	27.93
Other Liabilities	5.55	10.94	10.84
Interest Free Advance From Holding Company		550.00	920.89
<b>Total Current Liabilities</b>	<b>161.99</b>	<b>1468.98</b>	<b>1247.57</b>
<b>B. PROVISIONS</b>			
For Income Tax		-	38.95
For Fringe Benefit Tax		0.11	0.36
<b>Total Provisions</b>	<b>-</b>	<b>0.11</b>	<b>39.31</b>
<b>Total (A+B)</b>	<b>161.99</b>	<b>1469.09</b>	<b>1286.88</b>

Note: As per the Management except as stated in the “Related Party Disclosures” ( Annexure XVII ), none of the beneficiaries of Current Liabilities & Provisions are Directors of the Company or Promoters of the Company or related to the directors of the Company or promoters of the Company or to the company in any way

#### ANNEXURE – XI

##### DETAILS OF OTHER INCOME

(Rs. in Lacs)

Particulars	31.03.2005	31.03.2006	31.03.2007
Dividend	0.05	0.04	0.06
Miscellaneous Receipts	1.08	2.74	6.79
<b>Total</b>	<b>1.13</b>	<b>2.78</b>	<b>6.85</b>

#### ANNEXURE – XII

##### STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

Particulars	31.03.2005	31.03.2006	31.03.2007
Tax Rate (Including Surcharge and Education Cees (%))	33.66	33.66	33.66
Net Profit before Tax & Extra Ordinary items	-54.41	-34.48	347.06
Tax at Notional Rate		-	116.82
<b>Adjustment</b>			
<b>Temporary Differences</b>			
Depreciation	47.41	13.01	347.04
<b>Total (A)</b>	<b>47.41</b>	<b>13.01</b>	<b>347.04</b>
<b>Permanent Differences</b>			
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Adjustment (A+B)</b>	<b>47.41</b>	<b>13.01</b>	<b>347.04</b>
Tax Saving thereon	-		116.82
<b>Total taxation (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxation on extra ordinary items	-	-	-
Taxable income as per provisions of MAT	-	-	347.06
<b>Tax Payable as per provisions of MAT (D)</b>	<b>-</b>	<b>-</b>	<b>38.94</b>
<b>Net Tax payable as per I. T. Returns</b>	<b>-</b>	<b>-</b>	<b>38.94</b>
(higher of C or D above)			

Notes: The figures for all the above years are as per the audited balance sheet.

#### ANNEXURE – XIII

##### STATEMENT OF DIVIDEND

(Rs. In Lacs)

Particulars	31.03.2005	31.03.2006	31.03.2007
Equity Share Capital (FaceValue10/-)	278.52	278.52	278.52
Rate of Dividend (%)	-	-	-
Amount of Dividend	-	-	-
Corporate Dividend Tax	-	-	-

**ANNEXURE – XIV**

**ACCOUNTING RATIOS**

<b>Particulars</b>	<b>31.03.2005</b>	<b>31.03.2006</b>	<b>31.03.2007</b>
Earnings per share Shares (Rs.)	-1.95	-1.24	11.05
Return on Net Worth (%)	-48.13	-44.07	79.69
Net Asset Value/Book Value per share <b>(Rs.)</b>	4.06	2.82	13.87

**ANNEXURE – XV**

**CAPITALISATION STATEMENT**

(Rs. In Lacs)

<b>Particular</b>	<b>Pre-Issue as at 31.03.07</b>	<b>Post- Issue*</b>
<b>Borrowings</b>		
<b>Secured</b>		
Short Term Debts	-	
Long Term Debts	1827.08	
Unsecured Debts	28.21	
<b>Total Borrowings</b>	<b>1855.29</b>	
<b>Shareholder's Fund</b>		
Equity Share Capital	278.52	
Reserve & Surplus	107.82	
Less: Miscellaneous Expenditure to the extent not written off	-	
<b>Total Shareholder's Fund</b>	<b>386.34</b>	
<b>Long Term Debt/Equity</b>	<b>4.73</b>	

\*Post issue capitalisation cannot be determined till the completion of the Book-Building Process

**ANNEXURE – XVI**

**DETAILS OF CONTINGENT LIABILITIES NOT PROVIDED IN THE BOOKS**

There are no Contingent Liabilities

**STATEMENT OF RELATED PARTIES TRANSACTIONS (RESTATED)**

Transaction with related party as identified by the management in accordance with Accounting Standard 18 “Related party disclosures” issued by The Institute of Chartered Accountants of India, is as follows:

**I. Related Parties and their Relationships:**

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Name of Related Parties	Nature of Relationships
Simplex Projects Ltd.	..... Holding Company.....

**II. Material Transactions with Related Parties During the year ended 31<sup>st</sup> March****(Rs. In Lacs)**

Particulars	Nature of Transaction	2005	2006	2007
<b>Holding Company</b>			-	
Simplex Projects Ltd.	Subcontracting Expenses	-	760.15	-
-do-	Receiving of Services	-	-	-
-do-	Loans and Advances taken (Interest free)	-	-	662.89
<b>Outstanding Balances as on 31<sup>st</sup> March</b>				
Simplex Projects Ltd.	Loans and Advances taken	-	550.00	922.89
-do-	Sundry Creditors	-	209.50	199.50
-do-	Other Current Liabilities	-	71.22	79.42
-do-	Sundry Debtors	10.01	-	-
-do-	Other Current Assets	37.98	-	-

## OUR SUBSIDIARY

### SIMPARK INFRASTRUCTURE PRIVATE LIMITED (SIMPARK).

The company was incorporated as Kalindi Vanijya Private Limited on December 18, 1995 with the registration No.21-076031. The registered office is situated at 12/1B, Nellie Sengupta Sarani, Kolkata – 700087. Subsequently the name of the company was changed to Simpark Infrastructure Private Limited and the fresh certificate of incorporation on change of name was issued by RoC West Bengal on May 2, 2000.

The Company was initially promoted by Mr. S.R. Dwarkani, Mr. B. Sengupta and Mr. D.D. Damani. The management of this company was taken over by Mr. Balkrishandas Mundhra Group in the year 2000.

Simpark became our Subsidiary on 31<sup>st</sup> March 2006 when our Company became the holder of 52.89% of the equity share capital of Simpark. Further, on 31<sup>st</sup> December 2006, Simpark became our wholly owned subsidiary and accordingly entire equity share capital of Simpark is currently held by our Company.

Currently, the Company's main activity comprises of Installation, Development, Operation and Maintenance of Multi-level Automated Car Parking Systems. The business plan focuses attention on the aspect of alleviation of the problems associated with vehicular parking, the alternate technologies which have replaced the conventional modes of parking garages resulting in higher ground area utilization and even more higher return on Rupees per car parking space. Simpark has established the fully automated multi level car parking system on Built Own Operate and Transfer (BOOT) basis for a period of 20 years at Kolkata with the capacity of 216 Cars, in the year 2001. The installation of another fully automated car parking system on Built Own Operate and Transfer (BOOT) basis for a period of 20 years, with the capacity of 250 cars, at Kolkata, which is below the ground level is has become operational from April 2007. Simpark is in the process of launching the semi automated version of the multi level parking systems.

The company has entered into an agreement dated February 4, 2005, with the Municipal Corporation of Delhi (MCD) for evaluation of the proposal for setting such project at the following location in New Delhi : a) Mehrauli, b) Lajpat Nagar, c) Ramlila Ground, d) Parade Ground, e) Kamala Nagar & f) Hamilton Road, in the first phase of the governments plan. Besides, three other locations have been identified for the second phase.

The company has entered into a technology agreement dated April 2, 2003 with EWW Verenigde Bedrijven B.V., a Limited Company incorporated under the laws of Netherlands, for the purchase of technology, design and drawing package of the "Eco Safe Parking System"

The company has entered into an agreement dated 14<sup>th</sup> May 2007, with DLF Cyber City Developers Limited for supply, fabrication, erection, testing and commissioning of automatic car parking system for the Cyber Green Project at DLF Qutab Enclave, Phase III, Gurgaon with the capacity of 280 cars.

### Board of Directors

Name of the Director	Designation
Mr. Vijay Kalantri	Director
Prof. Achyut Ghosh	Director
Mr. Parag Chandulal Mehta	Director
Mr. Pradeep Mishra	Director
Mr. Arup Choudhury	Director
Mr. Nitindra Nath Som	Director

We hereby confirm that our Company has initiated steps for ensuring compliance with clause 49 of the Listing Agreement with reference to the provisions pertaining to subsidiaries of the Listed Company.

We have appointed our independent director Mr. Nitindra Nath Som as the non-executive director of Simpark.

## Brief Financial Performance

The audited financial performance of the company for the last three financial years are as under:

(Rs. in Lacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2005	2006	2007
Equity Share Capital	278.52	278.52	278.52
Reserves (excluding Revaluation Reserves)	NIL	NIL	107.82
Net Worth	278.52	278.52	386.34
Total Income	1,875.92	2,892.06	2961.53
PAT	-8.35	-126.29	<b>307.86</b>
EPS (Rs.)	Nil	Nil	11.05
NAV per share (Rs.)	10.00	10.00	79.69

Simpark Infrastructure Private Limited is an unlisted company and has not made any right issue or public issue in preceding three years. Simpark does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. Simpark has not made any public issue of its shares.

For the details about the transactions between our Company and Simpark, please refer to the section titled “Related Party Disclosures” starting on page 146 of this Red Herring Prospectus.

## OTHER GROUP COMPANIES/VENTURES OF THE PROMOTERS

### 1. PROZEN MERCHANTS PRIVATE LIMITED

The company was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated January 18, 1996 having Registration No. 76720. The registered office situated at 12/1, Nellie Sengupta Sarani, Kolkata – 700087.

The Company's main activity comprises of trading, marketing, sales and other services and dealing in textiles, fabrics, steel items, building materials, pharmaceuticals products, engineering goods, chemicals and consumer goods and to act as project consultants in all fields, to render consultancy, professionally and marketing services of all kinds and every nature and to do agency business and to act as agents of all kinds and description described in the main object of the Memorandum of Association of the Company.

#### **Board of Directors**

<b>Name of the Director</b>	<b>Designation</b>
Mr. Balkrishandas Mundhra	Director
Mr. Raghav Das Mundhra	Director
Mr. Sudarshan Das Mundhra	Director
Mr. Binoy Mishra	Director
Mr. Kailash Kumar Patwari	Director

#### **Shareholding Pattern**

<b>Sr. No.</b>	<b>Name</b>	<b>No. of Share held</b>	<b>Percentage</b>
1	Mr. Balkrishandas Mundhra	217000	15%
2	Mr. Sudarshan Das Mundhra	634500	43%
3	Simplex Fiscal Holdings Private Limited	610600	42%
	<b>Total</b>	<b>1462100</b>	<b>100%</b>

#### **Brief Financial Performance**

(Rs. in Lacs)

<b>Particulars</b>	<b>For the Financial Year ended 31<sup>st</sup> March</b>		
	<b>2004</b>	<b>2005</b>	<b>2006</b>
Equity Share Capital (excluding calls in arrears)	39.91	146.21	146.21
Reserves (excluding Revaluation Reserves)	7.44	964.18	964.20
Net Worth	47.35	1,110.39	1,110.41
Total Income	8.67	5.95	5.33
PAT	0.03	0.03	0.02
EPS	0.007	0.0002	0.001
NAV per share	11.87	75.94	75.95

**Prozen Merchants Private Limited** is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

## 2. GEOMILLER & CO. PRIVATE LIMITED

The company was incorporated under the companies Act,1956 Vide Certificate of Incorporation dated February 17<sup>th</sup> 1998, having Registration No. 092290.The registered office is situated at GM House, F3/2,Okhla Industrial Area, Phase-1, New Delhi-110020.

The Company's main activity comprises of general construction contractors , builders , engineers,consultants for construction and developments of roads,high ways ,buildings bridges,general constructions and among other things to construct,execute,equip,improve on contract,turnkey,built-own-transfer and all other ancillary works relating to construction and engineering described in the main object of the Memorandum of Association of the Company.

### Board of Directors

Name of the Director	Designation
Mr.Shreemohan Das Mundhra	Director
Mr.Balkrishan Das Mundhra	Director
Mr.Syamal Kumar Ray	Director
Mr.Dilip Kumar Choudhary	Director

### Shareholding Pattern

Sr. No.	Name	No. of Shares held	Percentage
1	Mr. Bithal Das Mundhra	104,500	11.61%
2	East End Trading Co.Pvt.Ltd.	30,000	3.33%
3	Mrs. .Prabha Mundhra	60,000	6.67%
4	Mast.Abhishek Das Mundhra	60,000	6.67%
5	Mr. Shree Mohan Das mundhra	405,500	45.06%
6	Mr. Balkrishan Das Mundhra	140,000	15.56%
7	Mr. Raghav Das Mundhra	15,000	1.67%
8	Mrs. Pushpa Mundhra	20,000	2.22%
9	Mr. Sudarshan Das Mundhra	15,000	1.67%
10	Pioneer Engg.Co.Pvt.Ltd.	35,000	3.89%
11	Simplex Projects Ltd	15,000	1.67%
	<b>Total</b>	<b>900,000</b>	<b>100.00</b>

### Brief Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	90.00	90.00	90.00
Reserves (excluding Revaluation Reserves)	505.75	534.11	544.05
Net Worth	595.75	624.11	634.05
Total Income	2,222.14	2,732.31	3,131.09
PAT	15.24	29.52	10.98
EPS	1.69	3.28	1.22
NAV per share	66.19	69.35	70.45

**Geomiller & Co. Private Limited** is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.



### 3. SIMPLEXPROJECTS ROAD AND HIGHWAY CONSTRUCTIONS PRIVATE LIMITED

The company was incorporated under the companies Act,1956 Vide Certificate of Incorporation dated April 20<sup>th</sup>, 2006 having Registration No. 21-109010.The registered office is situated at 12/1, Nellie Sengupta Sarani, Kolkata – 700087.

The Company's main activity comprises of general construction contractors , builders , engineers,consultants for construction and developments of roads,high ways ,buildings bridges,general constructions and among other things to construct,execute,equip,improve on contract,turnkey,built-own-transfer and all other ancillary works relating to construction and engineering described in the main object of the Memorandum of Association of the Company.

#### Board of Directors

Name of the Director	Designation
Mr. Jai Kishan Bagri	Director
Mr. Pradeep Mishra	Director
Mr. Avinash Sikaria	Director
Mr. Uma Shankar Goyal	Director

#### Shareholding Pattern

Sr. No.	Name	No. of Share held	Percentage
1	Simplex Projects Limited	5,000	50%
2	Mr. Sudarshan Das Mundhra	100	01%
3	Mr. Avinash Sikaria	4,000	40%
4	Mr. Uma Shankar Goyal	900	09%
	<b>Total</b>	<b>10,000</b>	<b>100%</b>

**SimplexProjects Road And Highway Constructions Private Limited** is an unlisted company and till date no activities has been carried out in this company. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

#### 4. SIMPLEX CONCRETE PILES (SOUTHERN INDIA ) PRIVATE LIMITED

The Company was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated March 20<sup>th</sup> 1978, having Registration No.18-07473. The Registered Office situated at 21 CASA, Major Road, Egmore, Chennai-600008.

The Company's main activity comprises of to carry on the business of manufacturing constructing of any types of piles and to act as takeover or undertaking any business by purchase, lease, exchange or otherwise land buildings etc. also to carry on trade or business of manufacturing items.

##### Board of Directors

Name of the Director	Designation
Mr. Bithal Das Mundhra	Director
Mr. Balkrishan Das Mundhra	Director
Mr. Narayan Shesh Mundhra	Director

##### Shareholding Pattern

Sr. No.	Name	No. of Shares held	Percentage
1	Mr. Bithal Das Mundhra	300	2.73
2	Mr. Balkrishan Das Mundhra	300	2.73
3	Mr. K.H. Jhavar	10	0.09
4	Mr. V R S Mani	10	0.09
5	Mr. Shree Mohan Das Mundhra	280	2.55
6	Mrs. Krishna Devi Mundhra	100	0.91
7	Mrs. Nilu Poddar	5,000	45.45
8	Mr. Subhas Poddar	2,500	22.73
9	Mrs. Urmila Kanodia	2,500	22.73
	<b>Total</b>	<b>11,000</b>	<b>100.00</b>

##### Brief Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	8.00	8.00	8.00
Reserves (excluding Revaluation Reserves)	Nil	Nil	Nil
Net Worth	1.10	1.10	1.10
Total Income	0.10	0.10	0.10
PAT FOR THE YEAR	0.04	0.04	0.04
EPS	0.34	0.33	0.36
NAV per share	10	10	10

**Simplex Concrete Piles (Southern India ) Private Limited** is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

## 5. SIMPLEX FINANCE LIMITED

The Company was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated July 8<sup>th</sup> 1992, having Registration No.21-055892. The Registered Office situated at 12/1 Nellie Sengupta Sarani, Kolkata-700 087.

The Company's main activity comprises of to take or purchase, acquire, hold, dispose or deal with shares, debentures and other securities in or of any company and to act as a investor of guarantors, underwriters, financiers to industrial enterprise.

### Board of Directors

Name of the Director	Designation
Mr. Bithal Das Mundhra	Director
Mr. .Balkrishan Das Mundhra	Director
Mr. Lalit Kumar Kothari	Director

### Shareholding Pattern

Sr. No.	Name	No. of Shares held	Percentage
1	Mr. Bithal Das Mundhra	10	0.01
2	Mr. Amiya Ranjan Banerjee	10	0.01
3	Mr. Balkrishan Das Mundhra	10	0.01
4	Mr. Shree Mohan Das Mundhra	10	0.01
5	Mr. Shiv Narayan Kothari	10	0.01
6	Mr. Sreelal Lahoti	10	0.01
7	Mr. Suraj ratan Dwarkani	10	0.01
8	Mrs. Bina Bagri	2,500	1.62
9	Mast.Piyush Bagri	2,500	1.62
10	Mr. Binod Kr.Damani	2,500	1.62
11	Mr. Kishan Gopal Lakhani	1,000	0.65
12	Mr. Sanjiv Mohta	20,000	12.94
13	Mr. Ballabh Das Bagri	2,500	1.62
14	Mr. Shree Lal Dwarkani	3,500	2.26
15	Mrs. Tulsi Devi Damani	5,000	3.23
16	Mrs. Jaishree Bagri	5,000	3.23
17	Mr. Hira Lal Bagri	5,000	3.23
18	Mr. Shambhu Nath Gupta	10,000	6.47
19	Mrs Suman Mundhra	5,000	3.23
20	Mr. Shankar Lal Somani	5,000	3.23
21	Mrs. Bina Bagri	5,000	3.23
22	Mr. Pradyut Kumar Sharma	6,000	3.88
23	Mr. Sushil Kr. Sewak	6,000	3.88
24	Mr. Arun Kr.Jain	5,000	3.23
25	Mrs. Jaimala Sharma	5,000	3.23
26	Mr. Manager Singh	5,000	3.23
27	Mrs.Sunita Kedia	7,500	4.85
28	Mr. Sundeep Kr.Khandelwal	5,000	3.23
29	Mr. Anil Kr.Singh	5,000	3.23
30	Mrs. Vimla Mohta	5,000	3.23
31	Mr. Rajesh Kr.Dwarkani	4,000	2.59

32	Mr. Ashok Kr.Rathi	2,500	1.62
33	Shree Farms Pvt.Ltd.	4,000	2.59
34	Mr. Ramchandra Jaju	5,000	3.23
35	Mr. Raj Kr.Damani	5,000	3.23
36	Mrs. Gayatri Devi Damani	5,000	3.23
37	Mr. Ganesh Lal Karnani	5,000	3.23
	<b>Total</b>	<b>154,570</b>	<b>100.00</b>

#### Brief Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	15.46	15.46	15.46
Reserves (excluding Revaluation Reserves)	6.21	5.97	5.33
Net Worth	21.67	21.42	20.79
Total Income	1.42	1.41	1.34
PAT FOR THE YEAR	0.09	-0.24	-0.63
EPS	0.06	-0.16	-0.40
NAV per share (Rs.)	14.02	13.86	13.45

**Simplex Finance Limited** is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

## 6. RASESHWAR ENGINEERS & CONSULTANTS PRIVATE LIMITED

The Company was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated September 14<sup>th</sup> 1997, having Registration No.21-043010. The Registered Office situated at 12/1B.Nellie Sengupta Sarani,Kolkata-700 087.

The Company's main activity comprises of to take or purchase, acquire, hold, dispose or deal with shares, debentures and other securities etc.

### Board of Directors

Name of the Director	Designation
Mr. Bithal Das Mundhra	Director
Mr.Balkrishan Das Mundhra	Director
Mr. Jugal Kishore Bagaria	Director

### Shareholding Pattern

Sr. No.	Name	No. of Share held	Percentage
1	Mr. Balkrishan Das Mundhra	10,000	20.0
2	Mr. Shree Mohan Das Mundhra	10,000	20.0
3	Mr. Bithal Das Mundhra	10,000	20.0
4	East End Trading & Engineering Company.Private Limited	10,700	21.4
5	Simplex Finance Ltd	9,300	18.6
	<b>Total</b>	<b>50,000</b>	<b>100.0</b>

### Brief Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	5.00	5.00	5.00
Reserves (excluding Revaluation Reserves)	Nil	Nil	Nil
Net Worth	5.00	5.00	5.00
Total Income	27.53	27.53	27.53
PAT FOR THE YEAR	-4.58	-4.72	-5.16
EPS	-9.16	-9.43	-10.32
NAV per share	Nil	Nil	Nil

**Rasheshwar Engineers & Consultants Private Limited** is an unlisted company and has not made any public issue in preceding three years. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

## 7. DATSON EXPORTS LIMITED

The company was incorporated under the Companies Act, 1956 vide certificate of Incorporation dated October 16, 1982 having Registration no. 21-035359. The registered office is situated at 12/1, Nellie Sengupta Sarani, Kolkata – 700087.

The Company's main activity comprises of buyer, sellers, producers, suppliers, traders, importers, exporters, brokers, agents, stockists, distributors and dealers of all kinds of agricultural produce, food, forest products, marine products, industrial products, oils, consumer and household goods, machinery & spare parts and other things as described in the main object of the Memorandum of Association of the Company.

### Board of Directors

Name of the Director	Designation
Mrs. Pushpa Mundhra	Director
Mr. Alok Kumar Goyal	Director
Mr. Vinod Kumar Duggal	Director
Mr. Shiv Narayan Kothari	Director

### Shareholding Pattern

Sr. No.	Name	No. of Shares Held	Percentage
1	Mr. Balakrishandas Mundhra	32,600	13.31
2	Mr. Arvind Das Mundhra	100	0.04
3	Mr. Krishna Kumar Mohta	100	0.04
4	Mr. Lalit Kumar Kothari	100	0.04
5	Mr. Gauri Shankar Mohta	100	0.04
6	Mr. Moti Lal Sewak	100	0.04
7	Mr. Jai Kishan Bagri	100	0.04
8	Mr. Rajendra Maharaj	100	0.04
9	Mr. Shree Dhar Mishra	100	0.04
10	Mr. Priyatosh Banerjee	100	0.04
11	Mrs. Pushpa Damani	200	0.08
12	Mr. Krishan Kumar Damani	200	0.08
13	Mr. Megh Raj Daga	200	0.08
14	Mr. Arun Kumar Ladha	200	0.08
15	Mr. Hera Lal Mohta	200	0.08
16	Mr. Shree Lal Lahoti	200	0.08
17	Mr. Satya Narayan Rathi	200	0.08
18	Mr. Manmohan Lal Mohta	200	0.08
19	Mrs. Pushpa Mundhra	24,600	10.04
20	Mrs. Yamuna Mundhra	100	0.04
21	Mr. Bithal Das Mundhra	100	0.04
22	Mr. Shiv Narain Kothari	300	0.12
23	Mrs. Gayatri Devi Damani	200	0.08
24	Mr. Mohani Devi Daga	3,000	1.22
25	Mr. Baldeo Das Daga	2,300	0.94
26	Mr. Raj Kumar Daga	9,550	3.90
27	Mrs. Sharada Devi Daga	9,500	3.88

28	Mrs. Shakuntala Daga	20,000	8.16
29	Mr. Kishori Lal Daga	20,000	8.16
30	Mrs. Mohani Devi Soni	1,900	0.78
31	Mr. Giriraj Ratan Bagri	100	0.04
32	Mr. Raj Kumar Biyani	50	0.02
33	Mr. D Mukherjee	200	0.08
34	Mr. Sajeew Mohta	5,000	2.04
35	Mrs. Krishna Mundhra	200	0.08
36	Mr. Raj Kumar Damani	300	0.12
37	Mr. Dinesh Kumar Soni	1,900	0.78
38	Mr. Kishan Gopal Lakhani	200	0.08
39	Mr. Gouri Shankar Vyas	250	0.10
40	Mr. Ballabh Das Mundhra	200	0.08
41	Mr.Suresh Kumar Rathi	50	0.02
42	Mr. Bon Behari Ghosh	50	0.02
43	Mr. Vijay Shankar Chandak	50	0.02
44	Mr. Nand Kumar Mohta	100	0.04
45	Mr. Rajendra Kumar Damani	500	0.20
46	Mr. Prem Narayan Kothari	300	0.12
47	Mr. Govind Narayan Kothari	450	0.18
48	Mr. Suneet Pugalia	300	0.12
49	Mrs. Usha Damani	500	0.20
50	Mr. Dau Lal Pugalia	300	0.12
51	Mr.Raj Kumar Sharda	300	0.12
52	Mr. Krishna Kumar Sarda	300	0.12
53	Mr. Har Narayan Sarda	300	0.12
54	Mr. Ghanshyam Das Sarda	300	0.12
55	Mr. Kamla Devi Sarda	300	0.12
56	Mrs Pushpa Devi Sarda	300	0.12
57	Mr. Baldeo Das Sarda	300	0.12
58	Mr.Bhagwan Das Sarda	300	0.12
59	Mrs. Prabha Mundhra	300	0.12
60	Mr. Kanta Mundhra	300	0.12
61	Mr. Vijay Mohan Das Mundhra	300	0.12
62	Mr. Shreemohan Das Mundhra	300	0.12
63	Mrs. Krishna Devi Mundhra	600	0.24
64	Mr.Brij Narayan Kothari	300	0.12
65	Mr. Raj Kumar Pugalia	300	0.12
66	Mr. Mahabir Prasad Sharda	50	0.02
67	Mr. Basant Kumar Sarda	100	0.04
68	Mrs. Kanta Devi Sarda	50	0.02
69	Mr. Amar Nath Samanta	50	0.02
70	Mr. Bithal Das & Yamuna Mundhra	450	0.18
71	Mr. Amitabh Mundhra	300	0.12
72	Mr. Shree Mohandas & Prabha Mundhra	400	0.16
73	Mr. Balkrishan Das & Pushpa Mundhra	28,250	11.53
74	Mrs.Kishni Devi Kothari	100	0.04
75	Mr. Rajiv Mundhra	300	0.12

76	Mr. Sudarshan Das Mundhra	24,300	9.92
77	Mr. Abhishek Das Mundhra	100	0.04
78	Viswapati Estates Private Limited	100	0.04
79	Vasundhra Apartments Private Limited	350	0.14
80	Pioneer Engineering Company Private Limited	2,900	1.18
81	Mr. Raghav Das Mundhra	24,750	10.10
82	Kirti Vinimay Private Limited	20,000	8.16
	<b>Total</b>	<b>245,000</b>	<b>100.00</b>

### Brief Financial Performance

The audited results of the company for the last three years are as under:

(Rs. in Lacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	24.50	24.50	24.50
Reserves (excluding Revaluation Reserves)	32.07	31.00	31.00
Net Worth	56.57	52.24	53.16
Total Income	20.76	9.01	9.70
PAT	0.99	-4.33	0.92
EPS	0.80	-2.42	0.35
NAV per share	23.09	21.32	21.70

**Datson Exports Limited** is an existing listed company and has not made any right issue or public issue in preceding three years. It has not become sick company under the meaning of SICA and is not under winding up. It is listed on the U.P. Stock Exchange Limited, Kanpur and Calcutta Stock Exchange, Kolkata. There is no trading of the scrip. The company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.



## 8. MUNDHRA EDUCATION FOUNDATION

A Private Limited by guarantee licensed U/S 25 of the Companies act, 1956, not having share capital Incorporated on November 25<sup>th</sup> 1991, having Registration No.21-53632.The Registered Office situated at 12/1B.Nellie Sengupta Sarani, Kolkata-700 087.

The Company shall exist solely for educational purposes and not for purpose of profit and shall setup establish and carry on as educational institutions by means of which students may obtain education.

### Board of Directors

Name of the Director	Designation
Mr. Bithal Das Mundhra	Director
Mr. Balkrishan Das Mundhra	Director
Mr. Shreemohan Das Mundhra	Director

### List of Members

Sr. No.	Name
1	Mr. Bithal Das Mundhra
2	Mr. Shreemohan Das Mundhra
3	Mr. Balkrishan Das Mundhra
4	Mr. Shiv Naraian Kothari
5	Mr. Jaikishandas Sadani
6	Mr. Ashok Maheshwary

### Brief Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended 31 <sup>st</sup> March		
	2004	2005	2006
Equity Share Capital (excluding calls in arrears)	Nil	Nil	Nil
Reserves (excluding Revaluation Reserves)	0.74	0.69	0.64
Net Worth	0.74	0.69	0.64
Total Income	Nil	Nil	Nil
PAT	-0.09	-0.05	-0.05
EPS	Nil	Nil	Nil
NAV per share	Nil	Nil	Nil

## PARTNERSHIP FIRMS

### 1. M/S. Safe Builders

M/s. Safe Builders is a registered partnership firm having its office at 12/1, Lindsay Street. Kolkata -700 087.

Partners of M/S Safe Builders and their profit Sharing Ratios are as under:

Sr. No.	Partner's Name	Percentage
1	Madhudas Bithaldas Mundhra, HUF	50
2	Bithal Das Mundhra & Sons, HUF	10
3	Shreemohan Das Mundhra & Sons, HUF	10
4	Mr. Balkrishandas Mundhra	30
	<b>Total</b>	<b>100</b>

#### Brief Financial Performance:

(Rs. in Lacs)

Particulars	As of March 31st, 2006	As of March 31st, 2005	As of March 31st, 2004
Partnership Capital	0.50	0.50	0.50
Total Income	2.26	1.95	0.15
Net Profit after Tax	-1.94	-2.13	-3.42

### 2. M/S Mundhra Estates

M/S. Mundhra Estates is a registered partnership firm, which is formed vide Partnership Deed dated June 17, 1970 having its office at 12/1, Lindsay Street. Kolkata-700 087. M/S. Mundhra Estates is engaged inter alia in the business of acquiring real properties & developing the same and other trade or business incidental there under.

Partners of M/S Mundhra Estates and their profit Sharing Ratios are as under:

Sr.No.	Partner's Name	Percentage
1	Mrs. Krishna Devi Mundhra	4
2	Mr. Bithal Das Mundhra	32
3	Mr. Shreemohan Das Mundhra	32
4	Mr. Balkrishan Das Mundhra	32
	<b>Total</b>	<b>100</b>

#### Brief Financial Performance:

(Rs. in Lacs)

Particulars	As of March 31 <sup>st</sup> , 2006	As of March 31st, 2005	As of March 31st, 2004
Partnership Capital	6.00	6.00	6.00
Total Income	7.54	6.22	6.22
Net Profit after Tax	-1.58	-6.80	-4.95

### 3. M/S Govinddas Madhodos Mundhra

M/S Govinddas Madhodos Mundhra is a registered partnership firm, which is formed vide Partnership Deed dated November 01 1978, under the Partnership Act, having its office at 12/1B, Lindsay Street. Kolkata-700 087. M/S Govinddas Madhodos Mundhra is engaged inter alia in the business of letting out leasehold properties, banking and commission agent, dealing in share, jute, cotton, hessian, cloths etc.

Partners of M/S Govinddas Madhodos Mundhra and their profit Sharing Ratios are as under:

Sr.No.	Partner's Name	Percentage
1	Mr. Bithal Das Mundhra	40
2	Mr. Shreemohan Das Mundhra	30
3	Mr. Balkrishan Das Mundhra	30
	<b>Total</b>	<b>100</b>

#### Brief Financial Performance

(Rs. in Lacs)

Particulars	As of March 31st, 2006	As of March 31st, 2005	As of March 31st, 2004
Partnership Capital (Debit)	11.65	17.09	14.13
Total Income	6.00	2.50	2.50
Net Profit after Tax	1.83	-2.96	-5.29

#### Companies from whom promoters has disassociated

Our Promoters have not disassociated themselves from any of the companies / firms during preceding three years.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE RESTATED FINANCIAL STATEMENTS**

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 8 of this Red Herring Prospectus, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and, unless otherwise stated, is based on our restated unconsolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI guidelines. Our Financial year ends on March 31 of each year.

### **OVERVIEW**

We are a medium sized ISO 9001:2000 certified, civil engineering and construction company in India, having over 15 years of experience in the construction industry, which includes a wide variety of infrastructure projects like road and rail over bridges, fly-overs, jetties specialised foundations and ground engineering, multi-storied buildings, group housing complexes and several industrial projects.

Over the years we have developed an expertise in piling and other foundation works and we believe that we have established reputation and expertise in this field through successful completion of over 75 contracts across the country. We have also successfully completed about 40 flyovers and road & rail-over-bridges for various government agencies. Our buildings and housing complexes, constructions are regarded as some of the best complexes in the city of Kolkata. We are one of the few leading construction companies to work in the North-eastern states of our country for over 10 years.

We execute contracts both through a competitive bidding process as well as through negotiations and repeat orders, which are generally on private contracts. Our major portion of orders come from various divisions of Indian Railways and other public sector construction companies. Our clientels, besides the Railways in public sector include Konkan Railways, National Building Construction Company Ltd., IRCON International Ltd., BHEL, State Bank of India, UCO Bank, CPWD and various state PWDs. The clientele under private sector include several leading construction companies viz. L&T (ECC), Shapoorji & Pallonji, Nagarjuna Construction. Some of the leading companies in the real estate and IT & ITES sectors include DLF, Unitech, Bengal Ambuja, Bengal Peerless, Godrej, Infinity, Wipro and several other companies.

We focus on technology and constantly strive to develop new techniques in the field of civil and engineering construction. We were among the first companies to construct a housing complex using tunnel shutter technology in Kolkata in 1997, we have also constructed pile foundation of 2000 mm dia pile in the river Ganges near Kanpur, UP.

In the year 1999, our Company entered into an agreement with the Kolkata Municipal Corporation to install, run and maintain the Multi Level Car Parking System in Kolkata on Built Own Operate and Transfer (BOOT) basis for a period of 20 years. However, in the year 2000 the business of Installation, Development, Operation and Maintenance of Multi-level Automated Car Parking Systems was transferred to our wholly owned Subsidiary, Simpark Infrastructure Private Limited. The fully computerised Multilevel Car Parking project was completed in the year 2000 at Rawdon Street, Kolkata and is operational since last six years. The second project, an underground multilevel computerised car parking project at New Market, Kolkata has become operational from April 2007. The entire project constitutes a one level below the ground commercial mall and another level of automated parking system.

Our Company was initially promoted by Late Mr. Madhudas Mundhra along with his three sons viz. Mr. Bithaldas Mundhra, Mr. Shree Mohandas Mundhra and Mr. Balkrishandas Mundhra in the year 1990 as part of the Simplex Group with Simplex Concrete Piles (India) Limited (Currently known as Simplex Infrastructures Limited) as the flagship of the Group.

## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

The Directors of our Company confirm that in their opinion no circumstances have arisen since the date of the last financial statements as disclosed in the Red Herring Prospectus, which materially and adversely affect or are likely to affect the trading or profitability of our Company, or the value of our assets, or our ability to pay our liabilities within the next twelve months.

### **Factors Affecting our results of operations:**

#### **Spending by various Government on infrastructure:**

We derive significant portion of our income from government. There has been a rising trend in the spending by government on various infrastructure projects. Any decrease in spending of various government on various infrastructure project affect our business.

#### **Our ability to secure tenders:**

Most of government expenditure on infrastructure is tender based. Most of tender has two bids technical and financial bids. The bids are normally awarded to those who qualify the technical bid and bid lowest amount. Thus our business and financials are dependent on our ability to secure tenders on profitable basis.

#### **Political condition:**

In case of political instability, government could change the spending pattern on infrastructure. This change in policy framework can effect our business. We derive a significant portion of our income from North Eastern regions. These regions are affected by insurgencies. Which causes the project carried by us to stop for some period of time.

#### **Cost of raw materials**

Our major raw material are cements and steel. Many of our contracts are to be completed in more than 18 months. The long duration of our contracts exposes us to the changes in the prices of key raw material. In many of our contract we have escalation clause. The increase in prices of these raw material increases our expenditure hence our profitability to the extent we are not able to pass on to the our clients.

#### **Stringent condition of our contract**

Most of our contract are time bound as well as put a condition of meeting the minimum standard requirement of such construction. Most of our contract stipulates penalty condition for non closure of our project in time. This non completion of project in time could affect our financials. We are subject to blacklisting by the authority for non full filing our commitment.

#### **Our ability to attract retain Skilled and technical staff:**

Skilled and technical staff are required by us for all our projects. We take up various projects based on availability of right mix of man power. Thus our growth is likely to be affected by our ability to attract and retain skill and technical manpower.

## **OUR SIGNIFICANT ACCOUNTING POLICIES**

1. Our Company follows accrual basis of accounting except where the receipt of income is uncertain and is in accordance with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956. The accounting policies have been consistently applied by our Company.

2. Liabilities on account of Service Tax to the extent not reimbursable by the Clients have been charged off to the profit & loss accounts.

#### **3. Revenue Recognition :**

a. Revenue is accounted for following "Percentage Completion" method of accounting in respect of the Construction Contracts.

b. In case of sale of buildings, flats, shops inclusive of rights in land in respect thereof, profit is accounted for on receipt of full considerations and giving possession to the purchaser even if execution of conveyance is pending.

4. Price escalation claims and additional claims including those under arbitration are recognized as revenue when they are realized or receipts thereof are mutually settled or reasonably ascertained.
5. Site start up expenses are charged off in the year these are incurred.

Particulars	31.03.04	31.03.05	31.03.06	31.03.07
	(12 Months)	(12 Months)	(12 Months)	(12 Months)
<b>Sales</b>	6066.54	7114.54	8220.40	13575.71
Increase/Decrease (%)	45.95%	17.28%	15.54%	65.15%
<b>Other Income</b>	19.39	23.72	37.56	48.55
Increase/Decrease (%)	-24.82%	22.33%	58.35%	29.26%
<b>Total Revenue</b>	<b>6085.93</b>	<b>7138.26</b>	<b>8257.96</b>	<b>13624.26</b>
Increase/Decrease (%)	45.51%	17.29%	15.69%	64.98%
<b>Expenses for executing Contract work</b>	5379.94	6250.79	7055.80	11194.59
Increase/Decrease (%)	49.25%	16.19%	12.88%	58.66%
% to Revenue	88.40%	87.57%	85.44%	82.17%
<b>Administrative &amp; other Expenses</b>	259.51	264.01	285.72	505.03
Increase/Decrease (%)	11.32%	1.73%	8.22%	76.76%
% to Revenue	4.26%	3.70%	3.46%	3.71%
<b>Total Expenditure</b>	<b>5639.45</b>	<b>6514.80</b>	<b>7341.52</b>	<b>11699.62</b>
Increase/Decrease (%)	46.95%	15.52%	12.69%	59.36%
% to Revenue	92.66%	91.27%	88.90%	85.87%
<b>Profit Before Depreciation, interest and Tax</b>	<b>446.48</b>	<b>623.46</b>	<b>916.44</b>	<b>1924.64</b>
Increase/Decrease (%)	29.53%	39.64%	46.99%	110.01%
% to Revenue	7.34%	8.73%	11.10%	14.13%
<b>Depreciation</b>	45.15	64.11	82.92	98.25
Increase/Decrease (%)	34.50%	41.99%	29.34%	18.49%
% to Revenue	0.74%	0.90%	1.00%	0.72%
<b>Profit Before Interest and Tax</b>	401.33	559.35	833.52	1826.39
Increase/Decrease (%)	28.99%	39.37%	49.02%	119.12%
% to Revenue	6.59%	7.84%	10.09%	13.41%
<b>Interest</b>	229.60	302.62	415.25	640.21
Increase/Decrease (%)	14.08%	31.80%	37.22%	54.17%
% to Revenue	3.77%	4.24%	5.03%	4.70%
<b>Profit Before Tax</b>	<b>171.73</b>	<b>256.73</b>	<b>418.27</b>	<b>1186.18</b>
Increase/Decrease (%)	56.32%	49.50%	62.92%	183.59%
% to Revenue	2.82%	3.60%	5.07%	8.71%
<b>Provision for Tax</b>	42.75	73.73	36.82	136.97
Increase/Decrease (%)	1.28%	72.47%	-50.06%	272.00%
% to Revenue	0.70%	1.03%	0.45%	1.01%
<b>Profit after Tax</b>	<b>128.98</b>	<b>183.00</b>	<b>381.45</b>	<b>1049.21</b>
Increase/Decrease (%)	90.66%	41.88%	108.44%	175.06%
% to Revenue	2.12%	2.56%	4.62%	7.70%
Effective Tax rate	24.89%	28.72%	8.80%	11.55%

## **Fiscal 2007 Vs 2006**

### **Income**

Income for the Fiscal 2007 increased to Rs. 13624.24 Lacs from Rs. 8257.96 Lacs showing a growth of 64.98 %. The income from work done increased from Rs. 8220.40 Lacs for fiscal 2006 to Rs. 13575.71 Lacs for fiscal 2007 showing a growth of 65.15%. The increase in income was on account of higher amount of Building and bridges & Flyovers works undertaken . Top 10 projects contributed to more than 93% of our income in fiscal 2007 compared to 60% for fiscal 2007 on account larger value of contract taken by our company.

### **Expenditure**

Expenditure for the Fiscal 2007 increased to Rs. 11699.62 Lacs from Rs. 7341.52 Lacs for fiscal 2006 showing a growth of 59.36 %. The increase in expenditure on account of increase in expenses for executing project work.

### **Expenses For Executing Contract Work**

Expenses for Executing Contract work increased from Rs. 7055.80 Lacs for Fiscal 2006 to Rs. 11194.59 Lacs for fiscal 2007 showing an increase of 58.66%. This increase was on account of starting of new projects undertaken. The Expenses For Executing Contract as percentage of income decreased from 85.44% for fiscal 2006 to 82.17% for fiscal 2007. The reduction in Expenses was on account of better margins on the projects undertaken.

### **Administrative Expenses & other Expenses**

Administrative Expenses & other Expenses increased from Rs. 285.72 Lacs for Fiscal 2006 to Rs. 505.82 Lacs for Fiscal 2007 showing an increase of 76.76%. The increase is on account of increase expenses on Salary, rents, Rates and taxes, traveling & Conveyance stores, loss in disposal of fixed assets, and donation . Administrative Expenses & other Expenses as percentage of income increased from 3.46 % for fiscal 2006 to 3.71 % for fiscal 2007. The increase in Expenses is on account of increase in the business of company.

### **EBIDTA**

EBIDTA increased from Rs. 916.44 Lacs for fiscal 2006 to Rs. 1924.64 Lacs showing a growth of approximately of 110.01%. EBIDTA Margin increased from 11.10% for fiscal 2006 to 14.13% for fiscal 2007. The increase in EBIDTA margin was on factors mentioned above.

### **Interest cost:**

Interest cost increased from Rs. 415.25 Lacs for fiscal 2006 to Rs. 640.21 Lacs for fiscal 2007. The increase in financial expenses was on account additional working capital taken for meeting the project cost and additional term loan taken for purchase of plant and Machinery. As a percentage of income interest cost decreased from 5.03% for fiscal 2006 to 4.70% for fiscal 2007. The decrease in interest cost as a percentage of income was on account of increase better fiscal control for the growth of business. The average interest rate for fiscal 2007 was 12.25% compared to 11 % for fiscal 2006.

### **Depreciation:**

Depreciation increased from Rs. 82.92 Lacs from 2006 to Rs. 98.25 Lacs for fiscal 2007 mainly on account of depreciation on new Plant and Machinery. The gross block increased in fiscal 2007 to Rs. 2147.99 Lacs as against Rs. 1810.15 Lacs for fiscal 2006.

### **Taxes:**

Taxes increased from Rs.36.82 Lacs in fiscal 2006 to Rs. 136.14 Lacs in fiscal 2007. The increase in tax expenses was on account higher effective tax rates and higher income. The effective tax rates increased from 8.55% for fiscal 2006 to 11.55% for fiscal 2007. The Increase in effective tax rate was on account of increased rate of tax from 7.5% to 10 % under provision of MAT

### **Profit After Tax (PAT):**

PAT increased from Rs. 381.45 Lacs in fiscal 2006 to Rs. 1049.21 Lacs in fiscal 2007. PAT margin increased from 4.62 % for fiscal 2006 to 7.70 % for fiscal 2007. The increase in PAT and PAT margin due to factors mentioned above.

## **Fiscal 2005 Vs 2006**

### **Income**

Income for the Fiscal 2006 increased to Rs. 8257.96 Lacs from Rs. 7138.26 Lacs showing a growth of 15.69%. The income from work done increased from Rs. 7114.54 Lacs to Rs. 8220.40 Lacs showing a growth of 16%. The increase in income was on account of higher amount of Industrial and miscellaneous projects undertaken by our Company in the North-Eastern states that contributed about 977.83 Lacs of additional income. During Fiscal 2006 we completed 11 number of piling works and commenced 4 nos of Bridge Projects. Top 10 projects contributed to 60% of our income in fiscal 2006 compared to 61% for fiscal 2005.

### **Expenditure**

Expenditure for the Fiscal 2006 increased to Rs. 7341.52 Lacs from Rs. 6514.80 Lacs for fiscal 2005 showing a growth of 12.69%. The increase in expenditure on account of increase in expenses for executing project work.

### **Expenses For Executing Contract Work**

Expenses For Executing Contract work increased from Rs. 6250.79 Lacs for Fiscal 2005 to Rs. 7055.80 Lacs for fiscal 2006 showing an increase of 12.88%. This increase was on account of starting of new projects for bridge project for Nagarjuna Construction at Patna and about 4 piling projects in Kolkata from Unitech and Infinity and their completion. The Expenses For Executing Contract as percentage of income decreased from 87.57% for fiscal 2005 to 85.44% for fiscal 2006. The reduction in Expenses was on account of reduction of material cost, as in most of the major piling projects undertaken during this fiscal, the client supplied the materials.

### **Administrative Expenses**

Administrative Expenses increased from Rs. 264.01 Lacs for Fiscal 2005 to Rs. 285.72 Lacs for Fiscal 2006 showing an increase of 8.22%. The increase is on account of increase expenses on stores and godown and bank charges. Administrative Expenses as percentage of income decreased from 3.70% for fiscal 2005 to 3.46% for fiscal 2006. The reduction in Expenses is on account of better efficacy of administrative staff and our cost control measures.

### **EBIDTA**

EBIDTA increased from Rs.623.46 Lacs for fiscal 2005 to Rs. 916.44 Lacs showing a growth of approximately of 46.99%. EBIDTA Margin increased from 8.73% for fiscal 2005 to 11.10 %for fiscal 2006. The increase in EBIDTA margin was on factors mentioned above

### **Interest cost:**

Interest cost increased from Rs.302.62 Lacs for fiscal 2005 to Rs. 415.25 Lacs for fiscal 2006. The increase in financial expenses was on account of additional working capital requirement for meeting the project cost. As a percentage of income interest cost increased from 4.24% for fiscal 2005 to 5.03% for fiscal 2006. The increase in interest cost as a percentage of income was on account of increase in the interest rate. The average interest rate for fiscal 2006 was 11% compared to 9.50% for fiscal 2005.

### **Depreciation:**

Depreciation increased from Rs. 64.11 Lacs from 2005 Rs. 82.92 Lacs for fiscal 2006 mainly on account of depreciation on new Plant and Machinery company. The gross block increased in fiscal 2006 as Rs.334.86 Lacs as against Rs.415.41 Lacs for fiscal 2005. However, the additions in fiscal 2005 was towards the end of the fiscal, as a result of which the depreciation was only for a part of the year.

### **Taxes:**

Taxes decreased from Rs. 73.73 Lacs in fiscal 2005 to Rs. 36.82 Lacs in fiscal 2006. The reduction in tax expenses was on account of lower effective tax rates. The effective tax rates decreased from 28.72% for fiscal 2005 to 8.80% for fiscal 2006. the decrease in effective tax rate was on account of various tax benefits availed by our Company.

### **Profit After Tax (PAT):**

PAT increased from Rs. 183.00 Lacs in fiscal 2005 to Rs. 381.45 Lacs in fiscal 2006. PAT margin increased from 2.56% for fiscal 2005 to 4.62% for fiscal 2006. The increase in PAT and PAT margin due to factors mentioned above.



## **Fiscal 2004 Vs 2005**

### **Income:**

Income for the Fiscal 2005 increased to Rs.7138.26 Lacs from Rs. 6085.93 Lacs for fiscal 2004 showing a growth of 17.29%. The income from work done increased from Rs. 6066.54 Lacs for fiscal 2004 to Rs.7114.54 Lacs for fiscal 2005 showing a growth of 17%. The increase in income was on account of higher amount of Bridge projects executed by our Company. During Fiscal 2005 we completed 9 number of piling works and had about 8 major Bridge Projects on going as compared to fiscal 2004. Top 10 projects contributed to 61% of our income in fiscal 2005 compared to 57% for fiscal 2004.

### **Expenditure**

Expenditure for the Fiscal 2005 increased to Rs. 6514.80 Lacs from Rs.5639.45 Lacs for fiscal 2004 showing a growth of 15.52%. The increase in expenditure on executing project.

### **Expenses For Executing Contract Work**

Expenses For Executing Contract work increased from Rs. 5379.94 Lacs for Fiscal 2004 to Rs. 6250.79 Lacs for fiscal 2005 showing an increase of 16.19%. This increase was on account of increase in overall execution of bridge projects which contributed Rs.3597.49 Lacs to the revenue as against Rs.2054.80 Lacs in the fiscal 2004. The Expenses For Executing Contract as percentage of income decreased from 88.40 % for fiscal 2004 to 87.57% for fiscal 2005. The reduction in Expenses is on account of our direct labour/subcontracting cost which decreased from 26.50% of turnover in FY04 to 23.28% in FY05.

### **Administrative Expenses**

Administrative Expenses increased from Rs. 259.51 Lacs for Fiscal 2004 to Rs.264.01 Lacs for Fiscal 2005 showing a marginal increase of 1.73%. The increase is on account of increase expenses on rents, rates & taxes, traveling and conveyance. Administrative Expenses as percentage of income decreased from 4.26% for fiscal 2004 to 3.70 % for fiscal 2005. The reduction in Expenses as percentage of Income is on account of better efficacy of administrative staff and concentration on larger value projects.

### **EBIDTA**

EBIDTA increased from Rs.446.48 Lacs for fiscal 2004 to Rs.623.46 Lacs for fiscal 2005 showing a growth of approximately of 39.64%. EBIDTA Margin increased from 7.34 % for fiscal 2004 to 8.73% for fiscal 2005. The increase in EBIDTA margin was on factors mentioned above.

### **Interest cost:**

Interest cost increased from Rs.229.60 Lacs for fiscal 2004 to Rs. 302.62 Lacs for fiscal 2005. The increase in Interest cost was on account of additional working capital requirement for meeting the project cost. As a percentage of income Interest cost increased from 3.77% for fiscal 2004 to 4.24% for fiscal 2005. The increase in interest cost as a percentage of income was on account of additional borrowings due to increased requirement of working capital as compared to the previous fiscal. The average interest rate for fiscal 2005 was maintained at around 11.50%.

### **Depreciation:**

Depreciation increased from Rs. 45.15 Lacs from 2004 to Rs. 64.11 Lacs for fiscal 2005 mainly on account of depreciation on new Plant and Machinery company. The additions to gross block in fiscal 2004 was Rs. 292.42 Lacs and was maintained at Rs.415.41 Lacs for fiscal 2005. However, as the additions during fiscal 2004 were on the later part of the year the depreciation in fiscal 2005 was charged for the full year.

### **Taxes:**

Taxes increased from Rs. 42.75 Lacs in fiscal 2004 to Rs.73.73 Lacs in fiscal 2005. The increase in tax expenses was on account of higher effective tax rates.

### **Profit after Tax (PAT):**

PAT increased from Rs.128.98 Lacs in fiscal 2004 to Rs.183.00 Lacs in fiscal 2005. PAT margin increased from 2.12% for fiscal 2004 to 2.56% for fiscal 2005. The increase in PAT and PAT margin due to factors mentioned above.

## Cash Flows

(Rs. in Lacs)				
Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007
Net cash from operating activities	522.29	-136.99	-1352.17	-1254.21
Cash flow from Investing activities	-347.53	405.23	-398.46	-766.39
Cash flow from financing activity	58.01	468.56	2111.23	1896.80
Cash & Cash equivalent at the end of the year	432.38	358.72	719.32	595.53

### OPERATING ACTIVITIES

Net cash used in operating activities in fiscal 2007 was Rs. 1254.20 Lacs whereas our Net Profit before tax was Rs. 1178.81 Lacs. The difference is primarily on account of increase in trade & other receivables and inventory by Rs. 2813.69 Lacs and Rs. 1009.58 Lacs respectively and increase in trade payable by Rs. 811.81 Lacs. The increase in trade & other receivables is on account of higher debtors cycle on the increased income.

Net cash used in operating activities in fiscal 2006 was Rs. 1352.17 Lacs whereas our Net Profit before tax was Rs. 418.27 Lacs. The difference is primarily on account of increase in trade & other receivables and inventory by Rs. 1422.23 Lacs and Rs. 267.14 Lacs respectively and decrease in trade payable by Rs. 446.32 Lacs. The increase in trade & other receivables is on account of higher debtors cycle on the increased income. The decrease in trade payable is on account of purchase of certain raw materials on cash terms to avail better pricing for the some of our key projects.

Net cash used in operating activities in fiscal 2005 was Rs. 136.99 Lacs whereas our Net Profit before tax was Rs. 256.73 Lacs. The difference is primarily on account of increase in trade & other receivables and inventory by Rs. 739.26 Lacs and Rs. 220.71 Lacs respectively The increase in trade & other receivables is on account of higher debtors cycle on the increased income.

Net cash released from operating activities in fiscal 2004 was Rs. 522.29 Lacs although our Profit before depreciation interest and taxation was Rs. 171.73 Lacs. The difference is primarily on account of decrease in trade & other receivables of Rs. 61.12 Lacs and increase in current liability of Rs. 330.65 Lacs. The decrease in trade & other receivables was on account of higher holding day of inventory and increase in current liability was on account of larger holding of creditors.

### INVESTING ACTIVITIES

Our expenditure for investing activities primarily relates to the purchase of fixed assets comprising of plants and equipment used in our construction work, and investments interest received, dividend & inter corporate deposits . Net cash used in investing activities for fiscal 2004, 2005, 2006 and 2007 were Rs 347.53. Lacs, Rs.405.23 Lacs, Rs.398.46 Lacs and Rs.766.39 Lacs respectively which was mainly on account of investment in fixed asset.

### FINANCING ACTIVITES

Net cash provided by financing activities amounted to Rs. 1896.80 Lacs in Fiscal 2007, comprising of Rs. 1787.13 Lacs form issuance of share capital, Rs. 1006.91 Lacs of long term borrowings, Short term borrowing of Rs. 389.62 Lacs offset by the repayment of long term loan of Rs. 515.88 Lacs and interest payment of Rs. 71.66 lacs. The increase in equity capital and term loan for fiscal 2007 was to meet the ongoing capital expenditure and meet the higher working capital requirement.

Net cash provided by financing activities amounted to Rs. 2111.23 Lacs in Fiscal 2006, comprising of Rs. 1100.00 Lacs form issuance of share capital, Rs. 1585.24 Lacs of long term borrowings offset by the payment of interest thereon amounting to Rs. 405.09 Lacs. The increase in equity capital and term loan for fiscal 2006 was to meet the ongoing capital expenditure and meet the higher working capital requirement.

Net cash provided by financing activities amounted to Rs. 468.56 Lacs in Fiscal 2005, comprising of Rs. 120.00 Lacs from issuance of share capital, Rs. 412.40 Lacs of long term borrowings, short borrowings of Rs.234.64 and Rs. 298.16 Lacs offset by the payment of interest thereon.

Net cash provided by financing activities amounted to Rs. 58.01 Lacs in Fiscal 2004, comprising Rs. 32.52 Lacs of proceeds from long term borrowings, Rs. 303.85 Lacs of proceeds from short term borrowings, offset by the payment of interest thereon amounting to Rs. 229.47 Lacs and repayment of long term borrowings of Rs. 48.89 Lacs.

### **Reserves and Surplus**

In addition to above mentioned items, there is another item which needs special discussion viz., Reserves and Surplus. There has been substantial increase in Reserves and surplus of our Company during the last three financial years. The contribution towards such increase has been on account of Profits generated by our Company and issuance of Share Capital at premium . During the Fiscal 2005, Fiscal 2006 and Fiscal 2007 our issuance of share contributed Rs.120.00 Lacs, Rs.1100.00 Lacs, Rs.1787.13 Lacs respectively towards Reserves and Surplus. This along with profits has resulted in increase in Networth. Our Networth increased from Rs. 920.03 lacs for fiscal 2005 to Rs. 2329.25 lacs for fiscal 2006 to Rs. 5157.40 lacs for fiscal 2007 mainly on account of issuance of share capital at premium.

### **RELATED PARTY TRANSACTIONS**

For details of related party transactions, please refer to the section titled “Related Party Transactions” beginning on page 146 of this Red Herring Prospectus.

### **FINANCIAL MARKET RISKS**

We are exposed to financial market risks from changes in interest rates and inflation.

#### **Interest Rate Risk**

Our interest rate risk results from changes in interest rates, which may affect our finance expenses. We bear interest rate risk with respect to the debts, which we have since the interest rates could fluctuate in the near future. Though all our loans are currently linked with Prime Lending Rates of respective Banks, any rise in interest rates would result in higher interest bearing debts.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, fuel cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

### **AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN BELOW:**

#### **Unusual or infrequent events or transactions**

There have been no unusual or infrequent events or transactions.

#### **Significant economic changes that materially affected or are likely to affect income from continuing operations**

Government’s focus on the infrastructure Sector will have a major bearing on the companies involved in the our Infrastructure Industry. Accordingly, any major changes in the policies of the Government could have an impact on the profitability of our Company.

#### **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations**

Apart from the risks as disclosed under heading “Risk Factors” beginning on page 8 in this Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### **Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Except as otherwise stated in this Red Herring Prospectus, in our opinion there are no such known changes in relationship between costs and revenues.

**Status of any publicly announced new products or business segment.**

Our Company has not publicly announced any new products or business segments.

**The extent to which the business is seasonal.**

Our Company's business is not seasonal.

**Any significant dependence on a single or few suppliers or customers.**

Our top 10 customers contribute more than 93% our income. We source our major raw material from various suppliers across the region we operate.

**Competitive Conditions**

For details of competitive conditions, please refer to the section titled "Competition" beginning on page 88 of this Red Herring Prospectus.

## SECTION VIII – LEGAL AND OTHER REGULATORY INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated herein, there is no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigation for tax liabilities against our Company, our Directors or our Promoter or companies promoted by our Promoter or our subsidiary and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoter or Directors. Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company or our Promoter, Directors or companies promoted by the Promoter or our subsidiary by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Further, except as stated herein, there are no cases of litigations, defaults, etc. in respect of companies/firms/ventures with which the Promoter were associated in the past but are no longer associated, in respect of which the name(s) of the Promoter continues to be associated with those litigation(s).

Outstanding litigations, defaults, etc. involving our Company, our Directors and past cases in which penalties imposed:

#### Cases filed by Our Company

##### **A. Sales Tax Cases: Nil**

##### **B. Income Tax Cases:**

Previous Year	Assessment Year	Remarks
1993-94	1994-95	The Income for the year was assessed U/s 143(3) of the Income-tax Act. In its order dated 13.3.1996 the assessing officer disallowed a sum of Rs.10,000 on account of excess labour payments and Rs.14,584 for Motor car expense. The company on being aggrieved had made an appeal with the CIT(A)-II, Kolkata, which is pending with the department.
1999-00	2000-01	The Income for the year was assessed u/s 143(1)(a) of the Income-tax Act. The department vide its notice dated 31.03.226 has passed an order u/s 154 demanding a sum of Rs.4,55,217 on account of difference in tax paid on normal rate and on 115JA. An appeal has been preferred against the said order as the brought forward tax credit of Rs.3,89,998 has not been considered while passing the impugned order. Though the demand has been adjusted against the amounts refundable for other years, the matter is still pending with the department.
2000-01	2001-02	The Income was assessed u/s 143(3) of the Income-tax Act, wherein certain expenditure amounting to Rs.5,93,295 was disallowed by the department and thereby revising the total income. An appeal was filed with the CIT(A) which was partially allowed by the CIT(A) vide its order dated 30.8.2002. On being aggrieved with the CIT(A)'s order, the company preferred an appeal which was filed with ITAT-B Bench, Kolkata, who vide its order dt.27.10.2005 has allowed the said appeal of the our Company. Thereafter as per the order u/s 154 dated 7.12.2005 by the assessing officer, the total income was revised to Rs.82,42,986 and showing a refund of Rs.4,08,496. Further an order u/s 156 dated 8.12.2005 was passed and thereby demanding a sum of Rs.315 which is still outstanding as there is refund due in respect of other assessment years.
2002-03	2003-04	Income assessed u/s 143(1) dated 31.03.2006, disallowing expenses u/s 43B for Rs.61,866/-, Rs. 129,198/- u/s 36(1)(va) of the Income-tax Act and excess provisions

		written off amounting to Rs.11,430/- and thereby raising a demand of Rs.81,852/- which was adjusted against the amount refundable for the A.Y. 2004-05.
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**C. Excise and Service Tax Cases: Nil**

**D. Cases under Negotiable Instruments Act: Nil**

**E. Civil Court Cases:**

1. East Central Railway (formerly Eastern Railway) vide their letter no.CE/CON/WT/5459 dated 03.04.1992 had issued Work Order for construction of Road Over Bridge, Mughalsarai, Varanasi Bypass. Due to various shortcomings of the Railways, which included delay in handing over of site, hindrances because of lack of power block, delay in issue of staging materials, etc, the work was grossly delayed. Arbitration was sought from East Central Railway authorities and due to non-appointment of arbitrator, the matter was referred to the Hon'ble High Court u/s 11 for appointment of Arbitrator.

Hon'ble Justice, Mr. Ajoy Nath Ray, Acting Chief Justice, Calcutta High Court was pleased to appoint Hon'ble Nikhil Nath Bhattacharjee, formerly a Judge of the Hon'ble Calcutta High Court to act as the Arbitrator in the matter of the claims preferred against East Central Railway.

Arbitration claim of Rs.2,13,65,720/- has been referred against the Railway authorities against which the Railway has also submitted there counter claim of Rs.11,27,704/-. The arbitration proceedings are going on and the matter is still pending before the Hon'ble Arbitrator. Two hearings have already been conducted , last hearing was held on 8<sup>th</sup> June 2007. Examination in chief of our representative is continuing.

2. Under Agreement No. CAO/CON/08/2000-2001 dated 13.10.2000, entered into with Eastern Railway, Bhagalpur for the work of construction of major bridges between Mander Hill, Dumka (Phase I) with Dy. Chief Engineer/Con, Eastern Railway, Bhagalpur, Bihar, the work was awarded to the Company. Due to delay in handing over of site, drawings, delay in issue of bridge component and other hindrances attributable to the Railways, the work could not be completed resulting in huge loss to the company. Claims against such loss amounting to Rs.3,20,96,930/- had been lodged with the Railway and arbitration sought. Eastern Railway has been pleased to appoint Sri Chahaty Ram, Ld. Presiding Arbitrator, Government of India, Ministry of Railways as the Arbitrator to this case. Statement of facts together with statement of claims have been filed with the Ld. Proceeding Arbitrator and hearing is still awaited in the matter.
3. In response to tender no. Civil/PH-II/11 issued by Metro Railway authorities for the construction of Pile Foundation and Sub-structure from Tollygunge to Garia, work had been awarded to the Company under Agreement No. MTP/CIVIL/8006 dated 16.08.2001. Although the work has been completed in all respects, claim relating to Piles, supply of Cement and M.S. Plates, non-payment for earth work and such other claims worth Rs.3,94,06,378.79 has been filed with the Metro Railway authorities and resulting from there non response, arbitration u/s 11 had been sought in December, 2006. Metro Railway authorities have nominated 4 of their gazetted railway officers for their panel of arbitrators and have requested us to nominate upto 2 names, out of the panel for the arbitral tribunal to be appointed. The arbitrators have been appointed, statement of facts has been submitted but hearing is awaited.
4. Under Agreement No.6/CE/EE/MCD-II/93-94, work had been awarded to the Company for construction of Gymnasium for NSNIS at Imphal, Manipur at a value of Rs.1,51,25,518/-. Due to various reasons like non-supply of master plan, structural drawings, elevation, non-supply of departmental materials like cement and delay in giving decisions for approval, etc. the company had suffered huge loss, against which arbitration proceedings has been sought to the tune of Rs.1,37,20,744/-. Arbitration proceedings are ongoing and on the transfer of Sri O.P. Gaddhyan, who was appointed as the Sole Arbitrator, Sri S.C. Padhi has been appointed as the Sole Arbitrator in the matter. Last hearing was scheduled on 10th May 2007 but due to absence of respondent the hearing had to be adjourned. Hearings are still continuing and final decision in the matter is awaited.

5. A project for the construction of foundation and installation of piles at River crossing locations on river Ganga, near Allahabad was awarded by the Uttar Pradesh State Electricity Board to M/s. Jyoti Structures Ltd. through M/s. Hyundai Engineering & Construction Co. Ltd. Work for the installation of pile was awarded to the Company by M/s. Jyoti Structures Ltd., but after mobilization, the work was stalled for a prolonged period due to lack of decisions by UPSEB and Jyoti Structures Ltd. and eventually, our work order was rescinded and the project abandoned. Claim of Rs.2,14,75,715/- has been filed with M/s. Jyoti Structures Ltd., Hyundai Engg. & Construction Co. Ltd. And UPSEB, being defendants. The case has been filed as Special Civil Suit 230/2003 in the court of Civil Judge, Sr. division, Nashik. The matter is still subjudice and the next hearing is fixed for 16th July 2007.
6. The Company had advanced a sum of Rs.31,00,000/- to M/s. Concast Ispat Ltd. for supply of TMT Bars against which materials were received in 5 lots covered by bills amounting to Rs.26,22,347/-. The balance of Rs.4,77,653/- was demanded from M/s. Concast Ispat Ltd., who refused to pay the same and adjusted this amount against certain dues they had from some other company. Written requests for refund being ignored, the Company filed a winding up petition against M/s. Concast Ispat Ltd. The matter came up for hearing before his Lordship, Sri Sanjib Banerjee and the Lordship was pleased to pass the order directing M/s. Concast Ispat Ltd. to pay the principal dues of Rs.4,77,653/- along with interest @ 8% from the date of statutory notice till the payment is made on reducing balance in 8 equal installments beginning 8th January, 2007.
7. Under Agreement no. CE/CON/GRC/23/2000, work had been awarded to the company for construction of bridges on the Digha-Tamluk Sector under South Eastern Railway. Work has been completed in all respect, but various disputes has arisen for non-payment of dues amonnting Rs. 3,42,26,683/-. Panel of Arbitrator suggested by South Eastern Railway has been accepted and our consent has been communicated. We await appointment of Arbitrator and subsequent hearings.
8. Under Agreement no. CE/CON/GRC/9/2000, work had been awarded to the company for construction of bridges on the Digha-Tamluk Sector under South Eastern Railway. Work has been completed in all respect, but various disputes has arisen for non-payment of dues amonnting Rs. 2,18,25,607/-. We await appointment of Arbitrator and subsequent hearings.

#### **Cases against our Company**

##### **D. Income Tax Cases: Nil**

##### **E. Cases under Securities Laws: Nil**

##### **F. Cases under the Workmen's Compensation Act, 1923:**

Complaint had been filed u/s 24 of the Contract Labour (Regulation & Abolition) Act, 1970 for non-adherence of certain minor provisions at our Parasnath site at Jharkhand. The complaint has been filed with the 1<sup>st</sup> Class Judicial Magistrate at Giridih. Hearing has commenced, and is still pending for final hearing.

##### **G. Sales Tax Cases: Nil**

##### **H. Customs Cases:**

We have received two demand cum showcause notice from the Commissioner of Customs, Kolkata, dated 9/5/2006 and 1/6/2006, u/s 124 of the Customs Act, alleging non fulfillment of conditions for availing exemptions under notification 027/02 Cus. Dated 01/03/2002, in respect of certain imports by the company and thereby levying a demand/penalty of Rs.1,84,646/- and Rs.22,03,829/- together with the interest thereon. We have contested the demand of the department vide our letters dated 22/5/2006 and 06/06/2006, submitting the documentary evidences in respect of compliances of the provisions of the aforesaid notifications. We are yet to receive any communication on either dropping of the proceedings or otherwise from the department. The matter is pending with the Asstt. Commissioner of Customs, Group-V, Kolkata.

##### **I. Cases under the Essential Commodities Act, 1955: Nil**

##### **J. Excise and Service Tax Cases:**

We have received a showcause cum demand notice from the Commissioner of Service tax, Kolkata dated 21.4.2006 alleging contravention of the provisions of Sections 68, 69(1) and 70 of the Finance Act 1994 and the Service Tax Rules and thereby levying a demand of Rs.5,31,24,001/-, payable of account of service tax chargeable for the services rendered under sec 65(105)(g) of the act. We in reply, to the aforesaid notice, vide our letter dated 19<sup>th</sup> May, 2006, has briefed the department that the company do not fall under the category of 'Consulting Engineering Services' as alleged by the department and has requested to drop the proceedings. The company is yet to receive any communication from the department dropping the said proceedings nor has received any further communication in this matter.

**K. Civil Court Cases:**

1. On 19.04.2000, M/s. Seafoods Pvt. Ltd. had given to the Company an order for civil work for construction of factory shed for a food processing unit to be set up at Shakarpur, Digha, West Bengal. The work was given by the Company to M/s. G.T. & Co. on a back to back basis, which entailed M/s. G.T. & Co. do the entire work, payment for which were against payments made by M/s. Seafoods Pvt. Ltd.

Due to non-payment by M/s. Seafoods Pvt. Ltd., M/s. G.T. Co., being aggrieved filed a commercial suit bearing no. 21 of 2004 and GA No. 2433 of 2006 against the Company and M/s. Seafood Pvt. Ltd. at the Hon'ble High Court at Kolkata.

The Company has already served a copy of written statement to the Advocate appearing for M/s. G.T. & Co. and the same has been filed with the Hon'ble High Court of Kolkata. Therefore, the suit is still pending before the Hon'ble High Court at Kolkata.

**L. Criminal Cases: Nil**

**M. Cases against the Directors: Nil**

**N. Past cases in which penalties were imposed on Our Company and our Directors: Nil**

**O. Outstanding litigations, defaults etc. against Promoter and Subsidiary Company:**

**Litigation relating to the Promoter**

As regards to our Promoters, there are no outstanding litigations.

**Litigations relating to the Subsidiary Company:**

Simpark Infrastructure Private Limited, subsidiary company had installed a Multi-level Computerized Automatic Car Parking System at Rawdon Street, Kolkata. In the month of June 2004, a lightening had struck on the adjacent building resulting in damage to our PLC and other electronic components because of the high frequency current and magnetic field caused by such lightening.

Claim was lodged with The Oriental Insurance Company Ltd. pursuant to insurance policy with them. Since the claim has not yet been settled by the Insurance Company, The Company was compelled to approach the Hon'ble High Court at Kolkata against The Oriental Insurance Co. Ltd. for settlement of the dues amounting to Rs.20,55,089/-. Hearing on the matter is awaited.

**AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

Payment against supplies from small scale and ancillary undertakings, if any, are made in accordance with the agreed credit terms and to the extent ascertained from available information, there was no amount overdue as on 31<sup>st</sup> March 2007.

**Material Developments since the Last Balance Sheet Date**

After the date of last balance sheet i.e. 31st March 2007, there are no material development as on date of filing this Red Herring Prospectus.



## GOVERNMENT AND OTHER APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary consents, licenses, permissions and approvals from the Government/RBI and various Government agencies required for our present business.

Except for pending approvals as detailed herein, our Company can undertake all the present and proposed activities in view of the present approvals and no further approvals from any statutory body are required by our Company to undertake the present and proposed activities. We confirm that all the necessary approvals/registrations/licences/permissions etc would be obtained.

### INVESTMENT APPROVALS

As per Notification No. FEMA/20/2000-RB of the Reserve Bank of India, dated May 3, 2000, as amended from time to time, our Company is allowed to Issue Equity Shares to NRIs / FIIs with repatriation benefits under automatic route.

### GOVERNMENT APPROVALS / LICENSES / PERMISSIONS

As certified by the Legal Advisor to the Issue, we have received all the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies and we can undertake this Issue and our current and proposed business activities. No further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities except as mentioned herein.

It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed.

Our Company has received the following Government approvals / licenses / permissions:

Sr.No.	Nature of Registration Certificate/ Licence/Consent	Registration/LicenceConsent/ Acknowledgement No.	Issuing Authority	Date of Issue/ Renewal/Amendment	Valid Up to
<b>INCORPORATION AND OTHER RELATED APPROVALS</b>					
	<b>Company Registration</b>	<b>21 - 50101 OF 1990</b>	<b>Registrar of Companies, W. B</b>	<b>October 31, 1990</b>	<b>N/A</b>
	<b>Commencement of Business</b>	<b>21- 50101 OF 1990</b>	<b>Registrar of Companies, W. B</b>	<b>December 06,1990</b>	<b>N / A</b>
	<b>Certificate of Registration under West Bengal Shops and Establishment Act, 1963</b>	<b>CAL/TAL/P-II/30388</b>	<b>Registering Authority, Government of West Bengal, Kolkata</b>	<b>March 06, 2007</b>	<b>January 8, 2008</b>
1.	Professional Tax	RCN-0513890	Profession Tax Officer	March 26, 1993	N.A.
2.	Professional Tax	ECN – 1644661	Profession Tax Officer	March 26, 1993	N.A.
3.	Employees Provident Fund	R-ENF/SPL/WB/CA/ 11144/187	Office of the Regional Provident Fund Commissioner West Bengal	October 9, 1995	N.A.

4.	Employee State Insurance	C/RR/41-22499-102	Employees State Insurance Corporation	February 28, 1996	N.A.
5.	Central Excise License	897/CCS/ST/R-3TIE/KOL-V/SPL/04	Superintendent of Central Excise Range -III	October 29, 2004	N.A.
6.	Certificate of Importer-Exporter Code ( IEC )	297024591	Zonal Jt. Director General of Foreign Trade	March 6, 1998	N.A.
7.	Certificate for VAT of Central Sales Tax West Bengal Sales Tax	CST 19420621231 WBST 19420621134 VAT 19420621037	Office of the Commissioner, Commercial Taxes	March 31, 2003	N.A.
8.	Sales Tax/VAT Central Sales Tax	10121621074/ PS 4226	Govt. of Bihar	April 01,2005/ January15. 2003	N.A.
9.	Central Sales Tax/TIN NO.	1813(c)/ 20590101007	Govt.of Jharkhand	May30, 2003/ March24,2006	N.A.
10	K.S.T./ V.A.T./ C.S.T.	11732386/ 29720279849/ 11782389	Govt. of Karnataka	April30,2005/ May01, 2002	N.A.
11	C.S.T./M/ TIN No. /VAT	6978/ 14010280	Govt. of Manipur	January17,1996/ Febuary07, 2006	N.A.
12	VAT/ CST	400028/V-0367 40028/C-5904	Govt. of Maharashtra	December27, 2005	N.A.
13	OST/ CST	PUII-1809/ PUCII-1040	Govt. of Orrisa	Febuary 22, 2002	N.A.
14	TNGST/ CST	0861428 718331	Govt. of Tamilnadu	April 30, 1998	N.A.
15	UPST/ CST	MS-002136 MS-5009713	Govt. of Uttar Pradesh	November 19, 1996 May22, 1996	N.A.
16	CST/ TIN	3182/ 11040171207	Govt. of Sikkim	November 30, 2002 January 16, 2006	N.A.
17	CST	10/04/9564/3/S	Govt. of Madhya Pradesh	January 15, 2002	N.A.
18	Permanent Account Number	AADS 8598 R	Commissioner of Income Tax West Bengal-XI	January 17, 2000	N.A.
19	Enlistment of Contractor in the Approved list of Contractor for Class A	CE/CON/VT/4676/A-I	The Chief Engineer (S & C) Eastern Railway	October 16, 1995	N.A.
20	Enlistment of Contractor in the Approved list of Contractor for Class A	East /48167071/2002	Office of the Chief Engineer PWD Raipur	January 10, 2002	N.A.
21	Enlistment of Contractor	F.3(67)(2)/RUIDP/PMU/PQ-LCB/2001 4063-338	Rajasthan Urban Infrastructure Development Project	March 22, 2002	N.A.

22	Enlistment of Contractor	EPI/CON/5075	Engineering Projects (India)Ltd.	August 29, 2005	N.A.
23	Certificate of Labour License for Patna ROB	L – 35/2002/ALC-1	Assistant Labour Commissioner( C ) Patna ( Bihar )	July 19, 2006	13.08.2007
24	Certificate of Labour License for Ranchi ROB	L - 43 / 2004	Assistant Labour Commissioner( C ) Ranchi ( Jharkhand).	July 20, 2006	12.08.2007
25	Certificate of Labour License for Kalubathan ROB	L -21/2003.E-6	Assistant Labour Commissioner( C ) Dhanbad ( Jharkhand ).	December 18, 2006	20.11.2007
26	Certificate of Labour License for Bhuli ROB- Tatulmari	L- 11 / 2003. E-3	Assistant Labour Commissioner( C ) Dhanbad ( Jharkhand ).	December 18, 2005	18.11.2007
27	Certificate of Labour License for Dhanbad- Bhuli ROB	L-10/2003.E - 3	Assistant Labour Commissioner( C ) Dhanbad ( Jharkhand ).	December 18, 2006	18.11.2007
28	Certificate of Labour License for Parasnath ROB	L -22/ 2003.E.- 6	Assistant Labour Commissioner( C ) Dhanbad ( Jharkhand ).	December, 2006	20.11.2007
29	Certificate of Labour License for Phusro ROB	70 /2003	Assistant Labour Commissioner( C ) Hazaribag ( Jharkhand).	December 19, 2006	16.12.2007
30	Certificate of Labour License for Khalari ROB	L- 6 / 2004 / ALC - 1	Assistant Labour Commissioner( C ) Patna ( Bihar )	May 22, 2007	26.01.2008
31	Certificate of Labour License for Daltangunj ROB	L- 6 / 2004 / ALC - 1	Assistant Labour Commissioner( C ) Patna ( Bihar )	May 22, 2007	26.01.2008
32	Certificate of Labour License 100 beded hospi Project	SIL/ 26/ 2005 / LIC	Assistant Labour Commissioner(C ) Silchar ( Assam )	April 30,2007	18.04.2008
33	Certificate of Labour License for Imphal. Laxmi Market	SIL/113/2005/ LIC	Assistant Labour Commissioner (C) Silchar ( Assam )	November 23, 2006	20.10.2007
34	Certificate of Labour License for New Market,Imphal	SIL / 112 / 2005/ LIC	Assistant Labour Commissioner( C ) Silchar ( Assam )	November 23, 2006	20.10.2007

35	Certificate of Labour License for Bengal Unitech,	BST/CON/ L-450/06/ ALC	Assistant Labour Commissioner Barasat ( W. B.)	December 15, 2006	31.12.2007
36	Certificate of Labour License for N B C C Project	BST / CON/ L - 447/ 06 /ALC	Assistant Labour Commissioner Barasat ( W. B.)	December 15, 2006	31.12.2007
37	Certificate of Labour License for Koderma Project	NO-21 /2005	Assistant Labour Commissioner Hazaribag (Jharkhand)	October 28, 2005	18.07.2007
38	Certificate of Labour Licence for Ranchi-Piska ROB	L - 18 / 2006 - RLC ( C )	Assistant Labour Commissioner Ranchi ( Jharkhand).	July 20, 2006	19.07.2007
39	Registration under Building workers for Patna ROB	14/2002-ALC-1	Assistant Labour Commissioner Patna ( Bihar )	August 14, 2002	Upto working period
40	Registration under Building Workers for Ghatsila ROB	R-32/2003	Assistant Labour Commissioner Chaibasa(Jharkhand).	December 01,2003	Upto working period
41	Registration under Building Workers for Kandra	R-32/2003	Assistant Labour Commissioner Chaibasa(Jharkhand).	December 01, 2003	Upto working period
42	Registration under Buildings Workers for Ranchi ROB	R-02 / 2004	Assistant Labour Commissioner Ranchi ( Jharkhand).	March 23, 2004	Upto working period
43	Registration under Buildings Workers for Parasnath	42/(03) / 2003. E.	Assistant Labour Commissioner Dhanbad ( Jharkhand ).	November 21, 2003	Upto working period
44	Registration under Buildings Workers for Bhuli - Tatulma	42/ (07)/2003.E.3	Assistant Labour Commissioner Dhanbad ( Jharkhand ).	November 24, 2003	Upto working period
45	Registration under Buildings Workers for Dhokra- Dhanbad	42/ (05) /2003 E. 3	Assistant Labour Commissioner Dhanbad ( Jharkhand ).	November 24,2003	Upto working period
46	Registration under Buildings Workers for Phusro ROB	NO-4 /2003	Assistant Labour Commissioner Hazaribag (Jharkhand)	December 17, 2003	Upto working period
47	Registration under Buildings Worker for Koderma	No-06/2005	Assistant Labour Commissioner Hazaribag (Jharkhand)	October 10, 2005	Upto working period
48	Registration under Buildings	A-REG-(13 )/ 2005-BOCW-S / A	Assistant Labour Commissioner	March 19, 2005	Upto working period

	Workers for 100 Beded hospital		Silchar ( Assam )		
49	Registration under Buildings worker for Daltonganj ROB	BCWR-1/2004/ALC-1	Assistant Labour Commissioner Patna ( Bihar )	January 29, 2004	Upto working period
50	Registration under Buildings worker for New Market	A-REG-(58)/2005-BOCW-SIL	Assistant Labour Commissioner Silchar ( Assam )	November 21, 2005	Upto working period
51	Registration under Buildings workers for Laxmi Market	A-REG-(59)/2005-BOCW-SIL	Assistant Labour Commissioner Silchar ( Assam )	November 21, 2005	Upto working period
52	Registration for Buildings and Others Construction Workers( Regulation of Employment and Condition of Service Act-1996	BST/ BOCW / 018 / 06	Assistant Labour Commissioner Barasat ( W. B.)	November 27, 2006	31.12.2007
53	Registration for ISMW for construction of Slum Rehabilitation Centre and Allied facilities at Rabangla, Sikkim	ISMW/05-06/24	Licensing Officer, Govt. of Sikkim	December 14, 2005	07.12.2007
54	Registration for ISMW for construction of Centre for Computer and Communication Technology, Sikkim	ISMW/S/2002-2003/05	Licensing Officer, Govt. of Sikkim	January 31, 2003	06.12.2007
55	Certificate of Labour License for Kandhra, ROB	L-75/2003	Asst. Labour Commissioner, Chibasa, Jharkhand	January 19, 2007	11.11.2007
56	Certificate of Labour License for Ghatsila ROB	L-75/2003	Assistant Labour Commissioner, Ghatsila, Jharkhand	January 31, 2003	06.12.2007
57	Certificate of Labour License for Construction of building for Institute of Neuro Science, Kolkata	L-029/2007/LCC	Assistant Labour Commissioner, Kolkata, West Bengal	April 3, 2007	December 31, 2007
58	Certificate of Labour License for Kona Express City Projects	L-76/2007/CL/HOW	Assistant Labour Commissioner, Howrah, West Bengal	May 7, 2007	December 31, 2007

59	Certificate of Labour License for Piling Work of Bengal Unitech Phase IV	BST/CON/L-467/07/ALC	Assistant Labour Commissioner, Barasat, West Bengal	January 2, 2007	December 31, 2007
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We have applied for the following approvals and licenses, which we have not yet received:

<b>Sr. No.</b>	<b>Concerned Authority</b>	<b>Approval/Consent</b>	<b>Status</b>
1	The Kolkata Municipal Corporation	Trade License	Request for trade licence validity certificate made on 19 <sup>th</sup> June 2007
2	Assistant Labour Commissioner, Barasat, West Bengal	Certificate of Labour License for Construction of Piling work of Phase 3A of IT Park at Rajarhut, Kolkata	Applied on May 29, 2007
3	Assistant Labour Commissioner, Barasat, West Bengal	Certificate of Labour License for Construction of Piling work of Phase 5 of IT Park at Rajarhut, Kolkata	Applied on June 22, 2007

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for This Issue

The shareholders of our Company have approved this Issue under section 81 (1A) of the Act by a Special Resolution at our Extra Ordinary General Meeting held on December 15, 2006.

### Prohibition by SEBI

Our Company, our Directors, our Promoters, the group companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as directors / promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India. Our Company, our Promoters, their relatives, group companies and associate companies has, not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

### Eligibility for this Issue

Our Company is eligible for the Issue as per Clause 2.2.1 of the SEBI Guidelines as explained under, with the eligibility criteria calculated in accordance with unconsolidated financial statements:

- Our Company has net tangible assets of at least Rs.3 crores in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1 (a) of the SEBI Guidelines;

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06
Period in months	12 Months	12 Months	12 Months	12 Months	12 Months
Fixed Assets (Net)	442.09	596.55	886.10	1,240.00	1,493.30
Capital WIP	0.00	18.74	21.12	28.80	49.17
Total Capital WIP	442.09	615.29	907.22	1,268.80	1,542.47
Current Assets Loans and Advances	2,740.95	3,224.27	4,113.45	5,092.80	7,194.08
Trade Investments	68.05	70.44	65.82	65.92	145.92
Less: Current Liabilities & Provisions	1,320.98	1,702.54	2,432.86	2,765.80	2,384.97
Net Tangible Assets (NTA)	1,930.11	2,207.56	2,653.63	3,661.80	6,497.50
Monetary Assets (Cash & Bank)	214.94	199.61	432.38	358.72	719.32
Monetary Assets as % of NTA	11.14%	9.04%	16.29%	9.80%	11.07%

- Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for atleast three of the immediately preceding five and is compliant with Clause 2.2.1 (b) of the SEBI Guidelines;

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06
Period in months	12 Months	12 Months	12 Months	12 Months	12 Months
Net Profit after Tax	69.94	67.65	128.98	183.0	381.45

- Our Company has a net worth of atleast Rs. 1 crore in each of the three preceding full years and is compliant with Clause 2.2.1 (c) of the SEBI Guidelines;

Particulars	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06
Period in months	12 Months	12 Months	12 Months	12 Months	12 Months
Equity Share Capital	175.00	175.00	175.00	199.0	419.00
Share Application Money	Nil	Nil	Nil	Nil	Nil
Reserve & Surplus	340.45	313.05	442.03	721.0	1,910.25
Less: Miscellaneous Expenses	Nil	Nil	Nil	Nil	Nil
Net Worth	515.45	488.05	617.03	920.03	2,329.25

- Our Company has not changed it's name in the last one year;

- Our Company shall ensure that the aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. issue by way of offer document + firm allotment + promoters' contribution through the offer document) does not exceed five (5) times our pre- issue net worth as per the audited balance sheet of the last financial year.

Our Company undertakes that the number of allottees in the proposed Issue shall be atleast 1000. Further, if the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

## **DISCLAIMER CLAUSE**

### **SEBI DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, UTI SECURITIES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES 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 THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, UTI SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 3, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,**

**WE CONFIRM THAT:**

- A. THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- B. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE SEBI, THE 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 INVESTMENT IN THE PROPOSED ISSUE.**
- D. BESIDE US, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT SUCH REGISTRATIONS ARE VALID TILL DATE.**
- E. WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.”**

**Disclaimer from the Company and the BRLM**

Investors may note that our Company and the Book Running Lead Manager accept no responsibility for statements made other than in this Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the our Company or Book Running Lead Manager and that any one, placing reliance on any other source of information would do so at their own risk.

The BRLM do not accept any responsibility save to the limited extent as provided in terms of the Memorandum of Understanding entered into between our Company and the BRLM and the Underwriting Agreement to be entered into between our Company and the Underwriters.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding dated February 2, 2007 entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us, the BRLM and the Underwriters 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.

**Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares). This Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares Issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or her self about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a issuing in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations and this Red Herring Prospectus has been filed with Registrar of Companies, West Bengal at Kolkata as per the provisions of the Companies Act. Accordingly, the Equity Shares, represented thereby may not be issued 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 the Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the Bombay Stock Exchange Limited**

Bombay Stock Exchange Limited ("the Exchange") has given vide its letter dated February 20, 2007, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised 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 National Stock Exchange of India Limited**

As required, a copy of the Draft Red Herring Prospectus has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/45669-T dated May 7, 2007 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 the Draft Offer Document for its limited 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.

#### **Filing**

A copy of the Draft Red Herring Prospectus has been filed with the Corporate Finance Department of SEBI at SEBI Bhawan, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered to the Registrar of Companies, West Bengal at Kolkata. A copy of the

Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with Registrar of Companies, West Bengal.

### **Listing**

Applications have been made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.

BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by any of the Stock Exchanges mentioned above, our Company would forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company become liable to repay it from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation and adoption of the Basis of Allotment for this Issue.

### **Consents**

Consents in writing of the Directors, our Company Secretary and Compliance Officer, the Auditors, Legal Advisor, Bankers to our Company, Book Running Lead Manager, and Registrar to the Issue, to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC, West Bengal at Kolkata as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC, West Bengal at Kolkata.

### **Impersonation**

*Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68(A) of the Companies Act, 1956, which is reproduced below:*

**"Any person who:**

- a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name; shall be punishable with imprisonment for a term which may extend to five years."**

### **Expert Opinion**

Except as stated elsewhere in this Red Herring Prospectus, we have 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 Issue expenses are as follows:

<i>(Rs. in Lacs)</i>				
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs. in Lacs)</b>	<b>% of total Issue Expenses</b>	<b>% of total Issue Size</b>

1.	Fees of BRLM (including underwriting commission and selling commission)*	[•]	[•]	[•]
2.	Fees of Syndicate Members (including underwriting commission and selling commission)*	[•]	[•]	[•]
3.	Fees of Registrar*	[•]	[•]	[•]
4.	Fees of Legal Advisor, Auditors etc.*	[•]	[•]	[•]
5.	Advertisement and Marketing Expenses*	[•]	[•]	[•]
6.	Printing and Stationery, Distribution, Postage, etc.*	[•]	[•]	[•]
7.	Other Charges*	[•]	[•]	[•]
	<b>Total</b>	[•]	[•]	[•]

\* Will be incorporated after finalisation of the Issue Price prior to filing of the Prospectus with RoC.

#### **Fees Payable to the Book Running Lead Manager**

The fees payable to the BRLM (including underwriting commission and selling commission) for the Issue will be as per the engagement letter from our Company to the BRLM and the Memorandum of Understanding dated February 2, 2007 executed between our Company and BRLM, copies of which are available for inspection at our registered office.

#### **Fees Payable to the Syndicate Members**

The fees payable to the Syndicate Members (including underwriting commission and selling commission) will be as per the Syndicate Agreement dated [•] executed between our Company and the Syndicate Members, copies of which are available for inspection at our registered office.

#### **Fees Payable to the Registrar to this Issue**

The fees payable to the Registrar to this Issue will be as per the memorandum of understanding between Registrar to the Issue and our Company, a copy of which is available for inspection at our registered office.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

#### **Fees Payable to the Escrow Bankers**

No fees are payable to the Escrow Bankers.

#### **Previous Rights and Issues**

We have not made any previous rights and issues during the last five years.

#### **Previous Issue of Shares otherwise than for Cash**

Our Company has not issued any Equity Shares for consideration other than cash except as detailed in the section entitled 'Capital Structure' in this Red Herring Prospectus.

#### **Commission or Brokerage on Previous Issues**

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

#### **Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.**

There have been no capital issues during last 3 years by us and other listed companies under the same management within the meaning of S. 370(1)(B) of the Act at present or during the last three years.

#### **Promise vis-à-vis Performance – Last Three issues**

Our Company has not made any Public Issue in the past, Promise vis-à-vis Performance is not applicable to us.

#### **Listed Ventures of Promoter**

**Datson Exports Limited :**

The Company is listed on The Uttar Pradesh Stock Exchange Limited, Kanpur and The Calcutta Stock Exchange Limited, Kolkata. Details on future projections were not given in these documents, hence information on promise vis a vis performance as far as projections is concerned is not available.

**Outstanding Debentures or Bonds**

As on the date of filing of this Red Herring Prospectus, our Company does not have any outstanding Debenture or Bond Issue.

**Outstanding Preference Shares**

As on the date of filing of this Red Herring Prospectus, our Company does not have any outstanding preference shares.

**Stock Market Data for our Equity Shares**

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

**Mechanism for Redressal of Investor Grievances**

The memorandum of understanding between the Registrar to this Issue and us will provide for retention of records with the Registrar to this Issue for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to this Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

**Disposal of Investor Grievances by our Company**

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be 15 days from the date of receipt of the complaint. As on date there are no pending investor grievances. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. We have appointed Mr. Pradeep Mishra, Senior Vice President (Finance), as the Compliance Officer and he may be contacted at the following address in case of any pre-Issue or post-Issue-related problems:

**Mr. Pradeep Mishra,**

Senior Vice President (Finance) & Compliance Officer

**Simplex Projects Limited,**

12/1, Nellie Sengupta Sarani,  
Kolkata – 700087

Tel: +91-33-32923330

Fax: +91-33-22528013

**E-mail: [ipo@simplexprojects.com](mailto:ipo@simplexprojects.com)**

**Disposal of Investor Grievances by our Listed Ventures of Promoter****Datson Exports Limited**

We estimate that the average time required by us for the redressal of routine investor grievances is 15 days from the date of receipt of the complaint. As on date there are no pending investor grievances. The company have appointed Mr. V.K.Duggal as the Compliance Officer of Datson Exports Limited for expeditious redressal of Investor Grievances.

**Changes in Auditors during the last three financial years and reasons therefor**

There have been no changes of the auditors of our Company in the last three years.

**Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time since inception, except as mentioned in under Notes to Capital Structure beginning on page 31 of this Red Herring Prospectus.

**Revaluation of Assets**

Our Company has not revalued its assets in the past five years.

## SECTION IX –ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (DIP) Guidelines, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

#### Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend (including dividend), voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

#### Mode of Payment of Dividend

We shall pay dividend to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

#### Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Red Herring Prospectus at a price of Rs. [●] per Equity Share. 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 offered by way of book building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., for further details, please refer to the section titled “Description of Equity Shares and Terms of Articles of Association” beginning on page 235 of this Red Herring Prospectus.

#### Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors and hence, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form in multiples of one Equity Share subject to a minimum Allotment of 30 Equity Shares.

Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of 30 Equity Shares to the successful bidders.

#### **Nomination Facility to Investor**

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of 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:

- a) to register himself or herself as the holder of the equity shares; or
- b) to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the Net Issue to the Public including devolvement of underwriters, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, we and every director of our Company who is an officer in default, becomes liable to repay the amount with interest as per Section 73 of the Companies Act. If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

#### **Arrangements for Disposal of Odd Lots**

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

The restrictions, if any, on the Transfer and Transmission of our Equity Shares are contained in the section titled "Description of Equity Shares and Terms of Articles of Association" beginning on page 235 of this Red Herring Prospectus.



**Compliance with SEBI Guidelines**

Our Company shall comply with all requirements of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.

**Withdrawal of the Issue**

Our Company in consultation with the BRLM reserves the right not to proceed with the issue any time after the Bid/Issue opening date but before allotment without assigning any reason thereof.

## ISSUE PROCEDURE

### Book Building Procedure

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

Bidders are required to submit their Bids through the Syndicate. We, in consultation with the BRLM, reserve the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds. The primary responsibility of building the book shall be that of the lead book runner.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

### **Illustration of Book Building and Price Discovery Process (*Investors should note that this illustration is solely for the purpose of illustration and is not specific to the Issue*)**

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 60/- to Rs. 72/- per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the Bidding/Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of the Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs.66 in the above example. Our Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below Rs.66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

### **Bid-cum-Application Form**

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allotment of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized us to make the necessary changes in this Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

**The prescribed colour of the Bid-cum-Application Form for various categories is as follows:**

<u>Category</u>		<u>Colour of Bid-cum-Application Form</u>
<b>Indian Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis</b>	:	White
<b>Non-residents, NRIs or FIIs applying on a repatriation basis</b>	:	Blue

#### **Who Can Bid?**

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are majors, in single or joint names (not more than three);
3. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
5. Indian mutual funds registered with SEBI;
6. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
7. Venture capital funds registered with SEBI;
8. Foreign venture capital investors registered with SEBI;
9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of Rs. 25 crores and who are authorized under their constitution to invest in Equity Shares;
12. Pension funds with minimum corpus of Rs. 25 crores and who are authorized under their constitution to invest in Equity Shares;
13. Multilateral and bilateral development financial institutions;
14. Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in equity shares;
15. Eligible Non-residents including NRIs and FIIs on a repatriation/non- repatriation basis subject to applicable local laws; and
16. Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares.

As per existing regulations, Overseas Corporate Bodies (OCBs) cannot bid/participate in this issue.

**Note: The BRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.**

**Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law, rules, regulations, guidelines and approvals.**

#### **Application by Mutual Funds**

In accordance with the current regulations, no mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

### **Application by FIIs**

**In accordance with the current regulations, the Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.**

### **Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/foreign venture capital investor. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

### **Application by NRI**

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office or from members of the Syndicate or the Registrars to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour)

The above information is given for the benefit of the Bidders. The Bidders are advised to make to their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

### **Maximum and Minimum Bid size**

- a) **For Retail Individual Bidders:** The Bid must be for minimum 30 Equity Shares and in multiples of 30 Equity Shares thereafter subject to maximum bid amount of Rs. 1,00,000/-. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000/-. In case the Bid Amount is over Rs. 1,00,000/- due to revision in bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- 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 payable by the Bidder exceeds Rs. 100,000/- and in multiples of 30 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.

**In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000/- for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 100,000/- or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.**

### **Information for the Bidders**

1. We will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days before the Bid/Issue Opening Date.

2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
3. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from our registered office or from the BRLM, or from a member of the Syndicate.
4. Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLM or Syndicate Member or their authorized agent(s) to register their Bid.
5. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

#### **Method and Process of bidding**

- a) We, with the BRLM, shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and the Price Band after the filing of the Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and a regional newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX-A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated 25<sup>th</sup> January 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
- c) The Bidding Period shall be a minimum of 3 working (three) days and not exceed 7 working (seven) days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and one regional newspaper and the Bidding Period may be extended, if required, by an additional 3 working (three) days, subject to the total Bidding Period not exceeding 10 working (ten) days.
- d) During the Bidding Period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.
- e) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details please refer to the section titled "Bids at Different Price Levels" beginning on page 212 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
- f) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure, please refer to the section titled "Build up of the Book and Revision of Bids" beginning on page 215 of this Red Herring Prospectus.
- g) The members of the Syndicate will enter each 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 TRS's for each Bid cum application Form. **It is the responsibility of the bidder to obtain the TRS from the Syndicate Member.**

- h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the section titled “Terms of Payment and Payment into the Escrow Collection Account” beginning on page 213 of this Red Herring Prospectus.

#### **Bids at Different Price Levels**

- a) The Price Band has been fixed at Rs. 170 to Rs. 185 per Equity Share of Rs. 10 each, Rs. 170 being the Floor Price and Rs. 185 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re 1. The minimum application size should be in the range of Rs. 5,000/- to Rs. 7,000/-
- b) In accordance with SEBI Guidelines, our Company in consultation with the BRLM in accordance with this clause, without the prior approval of, or intimation, to the Bidders, can revise the Price Band. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band. In case of a revision in the Price Band, the Issue will be kept open for a further period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
- c) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be suitably revised, if necessary such that the minimum application is in the range of Rs. 5,000/- to Rs. 7,000/-.
- d) Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the Stock Exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper, and also indicating the change on the relevant websites of the BRLM and the terminals of the members of the Syndicate.
- e) We, in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.
- f) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum bid in any of the bidding options not exceeding Rs. 100,000/- may bid at ‘Cut-off’. However, bidding at ‘Cut-off’ is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**
- g) Retail Individual Bidders, who bid at the ‘Cut-Off’ agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at ‘cut-off’ shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Refund Account.
- h) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at ‘cut-off’ Price could either
- I. revise their Bid
  - II. make additional payment based on the cap of the revised Price Band, 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. 100,000/-, the Bid will be considered for allocation under the Non Institutional category in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted 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

- i) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account

### **Option to Subscribe**

Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialized form only.

### **Escrow Mechanism**

Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of our Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer an amount equivalent to Issue proceeds (Final Issue price multiplied by the number of Equity Shares allotted through this issue) from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our Company and the balance amount shall be transferred to the Refund Account, from where payment of refund to the Bidders shall be made.

The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

### **Terms of Payment and Payment into the Escrow Collection Account**

In case of Non-institutional Bidders and Retail Individual Bidders, each Bidder shall, with the submission of the Bid-cum- Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (For further details, please refer to the section titled "Issue Procedure - Payment Instructions" beginning on page 221 and submit the same to the members of the Syndicate to whom the Bid is being submitted. In case of QIB Bidders, the Margin Amount has to be submitted along with the Bid to the members of the Syndicate. Bid-cum-Application Forms accompanied by cash and stock invests shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account. Not later than 15 days from the Bid / Issue Closing Date, our Company will instruct the Refund Banker to refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders, failing which our Company shall pay interest @15% per annum for any delay beyond the period mentioned above.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders, would be required to pay their Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" beginning on page 48 of this Red Herring Prospectus and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the Registrar to the Issue. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-Cum-Application Form.

### **Electronic Registration of Bids**

- a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one BSE / NSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.
- b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the BSE and NSE.
- c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be assessed on BSE's website at [www.bseindia.com](http://www.bseindia.com) or on NSE's website at [www.nseindia.com](http://www.nseindia.com). The online, real-time graphical display of demand and bid prices at the bidding terminals, shall be made. The BRLM shall ensure the availability of adequate infrastructure for data entry of the bids on a real time basis. At the end of each day of the bidding period the demand shall be shown graphically on the terminals for information of the syndicate members as well as the investors.
- d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
  - Name of the investor (Investors should ensure that the name given in the bid cum application form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.)
  - Investor Category – Individual, Corporate, NRI, FII, Mutual Fund, etc
  - Numbers of Equity Shares bid for
  - Bid price
  - Bid Amount
  - Bid-cum-Application Form number
  - Whether payment is made upon submission of Bid-cum-Application Form
  - Margin Amount and
  - Depository Participant Identification Number and Client Identification Number of the demat account of the Bidder.
- e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
- f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- g) Consequently, all or any of the members of the Syndicate may reject QIB Bids provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of such rejection. In case of Non-Institutional Bidders, Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed beginning on Page 224 of this Red Herring Prospectus.
- h) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLM are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company.



- i) It is also to be distinctly understood that the approval given by BSE and NSE for the use of their online IPO system should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

#### **Build Up of the Book and Revision of Bids**

- a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.
- c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payments in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In case of discrepancy of data between NSE or BSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid cum Application forms shall be final and binding to all concerned.

#### **Price Discovery and Allocation**

- a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- b) Our Company, in consultation with the BRLM shall finalise the “Issue Price”, the number of Equity Shares to be allotted in each category of Bidders.
- c) The allocation for QIBs for not more than 50% of the Net Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue

Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

- d) Under subscription, if any, in QIBs, Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than 75,000 Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
- e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.
- f) The BRLM, in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- g) Our Company in consultation with the BRLM, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.
- h) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after Bid/Issue closing date.
- i) The allotment details shall be uploaded on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and RoC Filing**

1. Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
2. After signing the Underwriting Agreement, we will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

#### **Filing of the Prospectus with the RoC**

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC, West Bengal. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC, West Bengal.

#### **Announcement of Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on the Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI DIP Guidelines in an English national daily with wide circulation, one Hindi National newspaper, and a regional language newspaper.

#### **Advertisement regarding Issue Price and Prospectus**

We will issue a statutory advertisement at the time of/after filing of Prospectus with RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **Issuance of Intimation Note and Confirmation of Allocation Note to bidders, other than QIBs**

The Registrar to the Issue shall send Confirmation of Allocation Note/Allotment Advice-cum-Refund Orders to all the Bidders intimating the number of shares allotted and the amount refunded.

**Issuance of Intimation Note and Confirmation of Allocation Note to QIB bidders**

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. Based on the electronic book, if so required, QIBs may be sent an Intimation Note, indicating the number of Equity Shares that may be allocated to them and the additional margin required which shall be payable by the QIBs within the pay-in date specified therein. This Intimation Note is subject to the Basis of Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciled book and basis of allotment as approved by the Designated Stock Exchange. In addition, there are foreign investment limitations applicable to our Company, which may result in a change (including a potential decrease) in the number of Equity Shares being finally allotted to non-resident investors (including FIIs). As a result, a CAN may be sent to QIBs and the allocation of Equity Shares in such CAN may be different from that specified in the earlier Intimation Note. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract for the QIB for all the Equity Shares allocated to such QIB

**Designated Date and Transfer of Funds to Public Issue Account**

- a) Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, we would allot the Equity Shares to the allottees and would ensure the credit to the successful Bidders depository account within two working days from the date of finalization of the basis of allotment with the Designated Stock Exchange. In case, our Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
- b) In accordance with the SEBI DIP Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.**

**General Instructions****Do's:**

- a) Check if you are eligible to apply;
- b) Complete the bid-cum-application form after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
- e) Ensure that the Bids are submitted at the Bidding Centres only on forms bearing stamp of the Syndicate Member;
- f) Ensure that you have been given a TRS for all your Bid options;
- g) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- h) Ensure that the Bid is within the Price Band;

- i) Investors must ensure that the name given in the bid cum application form is exactly the same as the name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- j) Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000/- or more. The copy of the PAN card or the PAN allotment letter should be submitted with the application form; and
- k) If you have mentioned “Applied For” or “Not Applicable” in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

**Don'ts:**

- a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- b) Do not Bid for lower than minimum Bid size;
- c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- e) Do not pay bid amount in cash, through stock invest, by money order or by postal order.
- f) Do not provide your GIR number instead of PAN number;
- g) Do not Bid at cut off price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 100,000/-);
- h) Do not fill up the Bid cum Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable law.
- i) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.
- j) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

**Instructions for completing the Bid-Cum-Application Form**

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from our corporate office, or from the Syndicate Members or from the BRLM.

**Bids and Revisions of Bids**

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians and blue colour for NRI or FII or foreign venture capital fund registered with SEBI applying on repatriation basis).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained therein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.

- (c) The Bids from the Retail Individual Bidders must be for a minimum of 30 Equity Shares and in multiples of 30 thereafter subject to a maximum of Rs. 100,000/-.
- (d) For non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 100,000/- and in multiples of 30 Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.
- (e) In single name or in joint names (not more than three and in the same order as their Depository Participant details).
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

#### ***Bidder's Bank Account Details***

Bidders should note that on the basis of name of the Bidders, Depository Participants Name, Depository Participants Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidder's bank account details. **These bank account details would be printed on the Refund Orders/Refund Advices, if any, to be sent to the Bidders and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant.** Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidder's sole risk and neither the BRLM nor our Company shall have any responsibility and undertake any liability for the same.

#### **BIDDER'S DEPOSITORY ACCOUNT DETAILS**

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.**

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, occupation, bank account details for printing on refund orders / refund advices or and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ refund advice / ECS credit for refunds/ Direct Credit of refund/CANs/Allocation Advice and printing of Bank particulars on the refund order / refund advice, and the Registrar would not use the Demographic Details given by Bidders in the Bid-cum-Application Form for these purposes.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Advice / Refund Orders/ Allocation Advice/ CANs would be mailed at address of the first Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ refund advice/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected. Investors should note that the refund cheques/allocation advice/refund advice would be overprinted with details of bank account as per the details received from the depository.

**Bids under Power of Attorney or by Limited Companies, Corporate Bodies or Registered Societies** In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part.

In 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.

#### **Bid by Mutual Funds**

In case of Bids made by mutual fund registered with SEBI, Venture Capital Fund registered with SEBI and Foreign Venture Capital investor registered with SEBI, 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.

#### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

#### **Bids by Provident Funds**

In case of Bids made by provident fund with the minimum corpus of Rs. 2500 Lacs and pension fund with the minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as our Company/BRLM may deem fit.

#### **Bids by NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI on a repatriation basis**

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office or from members of the Syndicate or the Registrars to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour).

***Bids and Revision to Bids must be made:***

- On the Bid cum Application Form or Revision Form, as applicable and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single name or joint names (not more than three)
- **By NRIs:** For a minimum of 30 Equity Shares and in multiples of 30 thereafter subject to a maximum Bid amount of Rs. 100,000/- for the Bid to be considered as part of the Retail Portion. Bids for Bid Amount more than Rs. 100,000/- would be considered under Non Institutional Category for the purposes of allocation. For further details please refer to the section titled “Maximum and Minimum Bid Size” beginning on page 210 of this Red Herring Prospectus.
- **By FIIs:** For a minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter so that the Bid Amount exceeds Rs. 100,000/-. For further details please refer to the section titled “Maximum and Minimum Bid Size” beginning on page 210 of this Red Herring Prospectus.
- In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

***It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.***

**Payment Instructions**

We along with BRLM and Syndicate Member(s) shall open an Escrow Account of our Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

**Payment into Escrow Account to the Issue**

1. The applicable Margin Amount for Non Institutional Bidders and Retail Individual Bidders is equal to 100% whereas for QIBs it is 10% and while submitting the Bid cum Application Form, shall be drawn as a payment instrument for the Bid Amount in favour of the Escrow Account and submitted to the members of the Syndicate.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of our Company within the period specified in the Intimation Note/CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.
3. The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:

<b>i.</b>	<b>In case of Resident Bidders</b>	<b>:</b>	<b>Escrow Account – SPL Public Issue</b>
<b>ii.</b>	<b>In case of Non Resident Bidders</b>	<b>:</b>	<b>Escrow Account – SPL Public Issue – NR</b>

iii.	In case of Resident QIB Bidders	:	Escrow Account – SPL Public Issue – QIB – R
iv.	In case of Non Resident QIB Bidders	:	Escrow Account – SPL Public Issue – QIB – NR

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
5. Payment will not be accepted out of a Non Resident Ordinary (NRO) Account of a Non Resident bidder bidding on a repatriation basis.
6. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
7. Where a Bidder has been allocated a lesser number of Equity Shares than what the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of our Company.
8. The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and Refund Account with the Refund Bankers.
10. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Banker shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

**Payments should be made by cheque, or demand drafts 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 cheque/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 Stock invest**

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 05, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest will not be accepted.

#### **Submission of Bid-cum-Application Form**

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Each member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form. However, for QIB Bidders, the members of the Syndicate member shall collect the Margin Amount.

**No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the**



**acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.**

## **Other Instructions**

### **Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

### **Multiple Bids**

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
- ii. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
- iii. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
- iv. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
- v. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
- vi. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. The applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

We reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

### **Permanent Account Number (PAN)**

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be

filed by a person of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration.

**It may be noted that Form 60 and Form 61 have been amended vide a notification issued on 01<sup>st</sup> December 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

#### **Unique Identification Number – MAPIN**

With effect from 01<sup>st</sup> July 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (MAPIN) and the requirement to quote MAPIN under MAPIN Regulations/Circulars vide its circular MAPIN/Circular-13/2005.

However, in a press release dated 30<sup>th</sup> December 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000/- to Rs. 500,000/- or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000/- an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of the Red Herring Prospectus as SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN regulations.

#### **Right to Reject Bids**

Our Company, in consultation with the BRLM, reserves the right to reject any Bid procured from QIBs, by any or all members of the Syndicate for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds. Consequent refunds shall be made by Cheque/Pay Order/Demand Draft/ECS/Direct Credit/RTGS/NEFT, as the case may be, and will be sent to the bidder's address at the bidder's risk.

#### **Grounds for Technical Rejections**

Bidders are advised to note that Bids are liable to be rejected on technical grounds, including the following:-

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. 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;
4. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons
5. PAN photocopy/PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
6. GIR Number given instead of PAN Number;
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. Bids at cut-off price by Non-Institutional and QIB Bidders;
11. Bids for number of Equity Shares, which are not in multiples of 30;
12. Category not ticked;
13. Multiple bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

15. Bids accompanied by Stockinvest/money order/ postal order/ cash;
16. Bids not duly signed by the sole /joint Bidders;
17. Bid-cum-Application Form does not have the stamp of the BRLM/Syndicate Member;
18. Bid-cum-Application Form does not have Bidder's depository account details;
19. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid-cum-Application Form; or
20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
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's identity;
22. Bids by OCBs;
23. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act;
24. Bids by NRIs not disclosing their residential status;
25. Any other reason which the BRLM or our Company deem necessary.

### **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 be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar:

1. An Agreement dated 16<sup>th</sup> May 2007 among NSDL, our Company and Registrar.
2. An Agreement dated 5<sup>th</sup> April 2007 among CDSL, our Company and Registrar.

**All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected. All Bids from any Bidder without the following details of his or her depository account are liable to be rejected:**

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.
3. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
5. Non-transferable allocation advice or refund orders will be directly sent to the Bidder by the Registrar to the Issue.
6. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
7. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his/her Depository Participant.
8. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE, where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
9. The trading of our Equity Shares would only be in dematerialized form for all investors in the demat segment of BSE and NSE.
10. Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them, pursuant to the issue.

## **Communications**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository account details, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Our Company has appointed Mr. Pradeep Mishra, as the Compliance Officer may be contacted at 12/1, Nellie Sengupta Sarani, Kolkata – 700087, West Bengal. Investors may contact him in case of any Pre-Issue or Post-Issue problems.

**The Investors can contact the Compliance Officer or the Registrar to the Issue 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 account, refund orders, etc.**

## **DISPOSAL OF APPLICATIONS AND APPLICATION MONEY**

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

The payment of refund, if any, would be done through various modes as given hereunder:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by Our Company.
3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by Our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places

where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

We shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges, where the Equity Shares are proposed to be listed are taken within seven working days of finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, our Company, further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;
- Our Company shall, within 15 days of the Bid/Issue Closing Date, ensure giving instruction in respect of refunds to the clearing system or dispatch the refund orders as the case may be; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment/transfer is not made, refund orders are not dispatched or refund instructions have not been given to the clearing system in the manner disclosed above and/or demat credits are not made to bidders within the 15 day time prescribed above.

Our Company will provide adequate funds required to the Registrar to the Issue for refunds to unsuccessful applicants or allotment advice. Refunds if, not made by Electronic Clearing Services (ECS), Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) will be made through cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker 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.

Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the bidders within 15 days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

**The bank account details for ECS/ Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories' database and hence bidders are required to ensure that bank details including MICR code maintained at the depository level are updated and correct.**

We shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, Our Company further undertakes that allotment/ transfer of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/ Offer Closing Date.

We will provide adequate funds required for dispatch of refund orders, Direct Credit, ECS, RTGS or allotment advice to the Registrar to the Issue.

**Refunds will be made by Direct Credit, ECS, RTGS cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker 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.**

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member(s) 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.

## **Impersonation**

*Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68(A) of the Companies Act, 1956, which is reproduced below:*

**"Any person who:**

- a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name; shall be punishable with imprisonment for a term which may extend to five years."**

## **Interest on Refund of Excess Bid Amount**

We shall pay interest at the rate of 15% per annum on the excess Bid Amount received by us if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated 31<sup>st</sup> July 1983, as amended by their letter No. F/14/SE/85 dated 27<sup>th</sup> September 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated 27<sup>th</sup> October 1997, with respect to the SEBI Guidelines.

## **BASIS OF ALLOTMENT**

### **I. For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 10,50,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 10,50,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 30 Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allocation, refer below.

### **II. 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 allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 4,50,000 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 4,50,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 30 Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allotment refer below.

### III. For QIB Bidders

- Bids received from the QIB bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the issue price.
- The QIB portion shall be available for allocation to QIB bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
  - (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
    - i. In the event that Mutual Fund Bids exceed 5% of the QIB portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB portion.
    - ii. In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
    - iii. Equity shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
  - (b) In the second instance allocation to all QIB's shall be determined as follows:
    - i. In the event that the 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 Share on a proportionate basis along with other QIB Bidders.
    - iii. Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB bidders on a proportionate basis.
  - (c) The aggregate allocation to QIB Bidders shall be up to 15,00,000 Equity Shares.

#### **Procedure and Time Schedule for Allotment and Issue of Certificates**

The Issue will be conducted through a "100% book building process" pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on Tuesday 10<sup>th</sup> July 2007 and expire on Friday 13<sup>th</sup> July 2007. Following the expiration of the Bidding 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 the confirmation by the Stock Exchanges. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with Registrar of Companies, West Bengal, at Kolkata and SEBI, Mumbai. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days from the Bid/Issue Closing Date. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and traded on BSE and NSE.

#### **Method of Proportionate Allotment**

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director of the Bombay Stock Exchange Limited (Designated Stock Exchange) along with the post Issue Lead Merchant Banker and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner. The allotment shall be made in marketable lots, on a proportional basis as explained below:

- (a) Bidders will be categorized according to the number of Equity Shares applied for,
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders

in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

- (c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio, in that category subject to a minimum allotment of 30 Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the price band.
- (d) In all Bids where the proportionate allotment is less than 30 Equity Shares per Bidder, the Allotment shall be made as follows:
  - Each successful Bidder shall be allotted a minimum of 30 Equity Shares; and
  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- (e) If the proportionate Allotment to a Bidder is a number that is more than 30 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

#### **Letters of Allotment or Refund Orders**

We shall give credit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. Applicants residing at 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Direct Credit or RTGS or NEFT, or ECS as applicable (subject to availability of all information for crediting through electronic mode). In case of other applicants, the Bank shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500/- by 'Under Certificate of Posting', and shall dispatch refund orders above Rs. 1,500/-, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the electronic facility. Applicants to whom refunds are made through Electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue. We shall ensure dispatch of refund orders, if any, by 'Under Certificate of Posting' or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS or NEFT, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the issuer.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI DIP Guidelines, we undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date;
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not despatched and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No.F/14/SE/85 dated



September 27, 1985, addressed to the Stock Exchanges and as further modified by SEBI's clarification XXI dated October 27, 1997, with respect to the SEBI DIP Guidelines.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as a Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit/RTGS/NEFT/ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

#### **Dispatch of Refund Orders**

Please refer to the section titled "Disposal of Applications and Application Money" beginning on page 236 of this Red Herring Prospectus.

#### **Interest in case of delay in Dispatch of Allotment Letters/Refund Orders or delay in Refund instructions**

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days of the closure of issue. Our Company further agrees that it shall pay interest @15% per annum if the allotment letters/refund orders have not been dispatched to the applicants 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 within 15 days from the Bid/Issue closing date.

#### **Bid/Issue Program**

<b>Bid/Issue opens on:</b> Tuesday 10 <sup>th</sup> July, 2007	<b>Bid/Issue closes on:</b> Friday 13 <sup>th</sup> July, 2007
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Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) or such time as may extended by us in consultation with BRLM and uploaded till such time as permitted by the BSE and the NSE on the Bid/Issue Closing Date.

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price and can move up or down to the extent of 20% of the floor of the price band.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band 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, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers one in English and other in Hindi, and also in regional newspaper and also by indicating the change on the web sites and at the terminals of the members of the Syndicate.

#### **Undertaking by our Company**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

2. That all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Equity Shares are to be listed are taken within 7 working days of finalization of the basis of allotment;
3. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
  - a. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.)
4. that refund orders to the non-resident Indians shall be dispatched within specified time.
5. that no further issue of securities shall be made till the securities offered through this Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.

**Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- a) All monies received out of this issue of shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Act;
- b) Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized;
- c) Details of all unutilized monies out of the issue of shares, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy 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 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 government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates is allowed upto 100% under the automatic route.

RBI, vide its circular A.P (DIR Series) Circular No. 53 dated 17<sup>th</sup> December 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of equity shares to be issued is not less than the price at which the equity shares are issued to residents.

### **Investment by Non-Resident Indians**

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell equity shares of our Company through a registered broker on the stock exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

### **Investment by Foreign Institutional Investors**

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of directors and shareholders of our Company. The issue of equity shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in equity shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

### **Registration of Equity Shares under US Laws**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended 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 of the U.S. Securities Act, 1933), 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 and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of this Red Herring Prospectus

## SECTION X – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

#### I. SHARE CAPITAL

Further Issue of shares Article 5(1)	<p>Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the un-issued capital or out of the increased share capital then;</p> <p>(a) Such further shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the company, in proportion as near as circumstances admit to the capital paid, up on those shares at the date.</p> <p>(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right. Provided that the Directors may decline without assigning any reason to allot any shares to any person in whose favour any member may renounce the share offered to him.</p> <p>(d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think in their sole discretion, deem fit.</p>
Article 5(2)	<p>Notwithstanding any thing contained in the sub-clause(1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause(a) of sub clause (1) hereof) in any manner whatsoever.</p> <p>(i) if a special resolution to that effect is passed by the company in general meeting; or</p> <p>(ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by members who being entitled so to do. Vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled to voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company</p>
Article 5(3)	<p>Nothing in sub-clause (c) of (1) hereof shall be deemed :</p> <p>(a) to extend the time within which the offer should be accepted; or</p> <p>(b) to authorize 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</p>
Article 5(4)	<p>Nothing in this article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loan raised by the company.</p> <p>(i) To convert such debentures or loans into share in the company; or</p>

	(ii) To subscribe for shares in the company (whether such option is conferred in these articles or otherwise)
Shares at the disposal of Directors Article 5A	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 controls of the directors who may issue, allot or otherwise dispose of the same or any of them 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 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 persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of the business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any persons without the sanction of the company in the general meeting.
Power also to Company in general meeting to authorize issue of shares Article 5B	In addition to and without derogating from the powers for the purpose conferred on the Board, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company, either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option being exercisable at such times and for such consideration as may be directed by such General Meeting of the Company and the General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
Commission and Brokerage Article 6 (1)	The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and the commission shall not exceed 5% (five per cent) of the price at which the shares in respect whereof the same is paid are issued or 2.5% (two point five percent) of the price at which debentures are issued (as the case may be) and such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in one way and partly in the other.
Article 6(2)	The company may also pay such brokerage as may be lawful on any issue of shares or debentures
Interest out of capital Article 6(3)	Where any shares are issued for the purpose of raising money to defray the expenses of the Construction of any work or building, or the provision of any plant which cannot be made profitable for a lengthy period, the company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant

Liability of Joint members Article 8	Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.
Trusts not to be recognized Article 9	Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person
Shares under Dematerialisation Article 11	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.

## II. SHARE CERTIFICATE

Certificate Article 12	<p>Subject to the provisions of the Companies (issue of Share Certificates) Rules, 1960, or any statutory modification or re-enactment thereof, share scrips shall be issued as follows :</p> <p>a) The certificates of title to share and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (i) two Directors or a Director and a person acting on behalf of another Director under a duly registered power of attorney or two person acting as attorneys for two Directors as aforesaid; and (ii) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such share certificate; provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director.</p> <p>b) Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name or, if the Board so approves to several certificates each for one or more of such shares but, in respect of each additional certificate, the Company shall be entitled to charge a fee of Rs. 2/- or such less sum or no sum at all as the Board may determine. Unless the conditions of issue of any shares otherwise provide, the Company shall, within three months after the date of either allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save on the case of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares) or within 2 (Two) months of receipt of the application for registration of the transfer of any of its shares, as the case may be, deliver the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register of Members maintained in the form set out in the said rules or, in a form as near thereto as circumstances admit, against the name of the person to whom it has been issued, indicating the date of issue. In respect of any share held in the joint names of several members, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several members registered jointly in respect thereof shall be sufficient delivery to all such members.</p> <p>c) If any certificates of any share or shares be surrendered to the Company for</p>
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	<p>subdivision or consolidation or if any certificate be defaced, torn or old, decrepit, wornout or where the cages on the reverse for recording transfers have been duly utilised then upon surrender thereof to the Company, the Board may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed then, upon proof thereof to the satisfaction of the Board, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate. Where a certificate has been issued in place of a certificate which has been defaced, etc., lost or destroyed, it shall state on the face of it and against the stub or counter foil that it is issued in lieu of a share certificate or is a duplicate issued for the one so defaced, etc., lost or destroyed, as the case may be, and in the case of a certificate issued in place of one which has been lost or destroyed, the word “duplicate” shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company the sum of Rs.2/- or such smaller sum together with such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.</p> <p>Provided that no fee shall be charged for sub-division or consolidation of share certificates into lot of the market unit and for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cage on the reverse for recording transfers have been fully utilized.</p> <p>d) Every member shall be entitled without payment, to one or more certificates in marketable lots, for all the share 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 of such certificates within 3 month from date of allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer, transmission, subdivision or 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 no. and distinctive nos. of 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 shall 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.</p>
<p>Dematerialization of shares Article 12A</p>	<ol style="list-style-type: none"> <li>1) Dematerialization of Securities The Company shall be entitled to dematerialize its securities and to offer securities in a Dematerialized form pursuant to the Depositories Act, 1996.</li> <li>2) Options for investors</li> </ol> <p>Every holder of or subscriber to securities of the Company shall have the option to receive the certificates for such securities 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 law, in respect of any securities 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.</p> <p>If a person opts to hold his securities with the depository, the company shall</p>



	<p>intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficiary owner of the Securities.</p> <p>3) Securities in Depositories to be in fungible form</p> <p>All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</p> <p>4) Rights of Depositories and Beneficial Owners</p> <p>a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owners.</p> <p>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.</p> <p>c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company</p> <p>5) Service of Documents</p> <p>Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs</p> <p>6) Transfer of Securities</p> <p>Nothing contained in Section 108 of the Act or these Articles 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</p> <p>7) Allotment of Securities dealt with in a Depository</p> <p>Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities</p> <p>8) Distinctive Number of Securities held in a Depository</p> <p>Nothing contained in the Act or these Articles regarding the necessity of</p>
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	<p>having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.</p> <p>9) Register and Index of Beneficial Owners</p> <p>The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.</p>
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### III. CALLS ON SHARES

Calls Article 13	The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls on uniform basis, as it thinks fit, upon the members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by way of premium) held by them and not by conditions of allotments thereof made payable at fixed time and each such member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be made payable by installments.
Liability of Joint holders Article 14	The joint holders of shares shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such shares
Calls when deemed to have been made Article 15	<p>1) A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed unless the same is expressly made effective on any other date under such resolution.</p> <p>2) Not less than 14 days' notice of any call shall be given specifying the place and time of payment and to whom such call shall be paid; provided that Board may, subject to section 91 of the Act, by notice in writing to a member, revoke the call or extend the time for payment thereof.</p>
Amount payable at fixed times or payable by installments Article 16	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount of installment shall be payable as if it were a call duly made by the Board and of which due notice had been given and all provisions herein contained in respect of calls for future or otherwise shall relate to such amount or installment accordingly.
When interest on calls or installments payable Article 17	If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 18% (Eighteen percent) per annum (or at such other rate as the Board may determine) from the day appointed for the payment thereof to the time of actual payment but the Board shall be at liberty to waive payment of the interest wholly or in part.
Payments of calls in advance Article 18	The Board may receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance, or so much thereof, as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate not exceeding twelve (12) percent per annum or as the member paying such sum in advance and the Directors agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or participate in profits. Money so paid in excess of the amount of calls until appropriated towards satisfaction of any call shall be treated as advance to the Company and not a part of capital and shall be repayable at any time if the Directors so decide.

Revocation of calls Article 19	A call may be revoked or postponed at the discretion of the Board.
Company not bound to recognize any intt. In share other than that on regd. holder Article 19A	Except as ordered by a Court of competent jurisdiction, or as by law required the company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

#### IV. FORFEITURE AND LIEN

If calls or installments not paid notice may be given Article 20	If any member fails to pay the whole or any part of any call, or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or instalment or other money remain unpaid serve a notice on such member or on the persons (if any) entitled to the shares by transmission requiring him to pay the same together with any interest that may have accrued and all the expenses that may have been incurred by the Company by reason of such non payment.
Contents of notice Article 21	The notice shall name a day (not being less than 14 days from the date of notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the share in respect of which such call was made or instalment is payable will be liable to be forfeited.
If notice not complied with shares may be forfeited Article 22	If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of call or instalment, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect and the forfeiture shall be recorded in the Directors' Minute Book. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
Notice after forfeiture Article 23	When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and entry of the forfeiture with date thereof shall forthwith be made in the register of the members. But, no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
Forfeited shares to become Company's property and power to annul forfeiture Article 24	Any share so forfeited shall be deemed to be property of the Company and the directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Liability on forfeiture Article 25	Any person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all calls, installments, interests, and expenses owing upon or in respect of such shares at the date of the forfeiture, together with interest thereon from the time of forfeiture until payment at the rate of 18% (eighteen percent) per annum and the Directors may enforce the payment thereof or any part thereof without any deduction or allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so.
Effect of forfeiture Article 26	The forfeiture of a share shall involve the extinction of all interest in and also of all claims, demands against the Company in respect of the share, and all other

	rights incidental to the share, except only such of those rights as by Articles are expressly saved.
Declaration by Directors as to forfeiture to be conclusive evidence Article 27	A duly certified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have duly been forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares; and such declaration, and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom any such shares are sold shall be registered as holder thereof and shall not have right to see the application of the purchase money, nor shall his title to such shares be effected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale or disposition
Company's lien on partly paid up shares Article 28	The Company shall have first and paramount lien upon all partly paid up shares registered in the name of such each member (whether solely or jointly with others), and shall also have such lien upon the proceeds of sale thereof for his debts, liabilities and engagements, solely or jointly with any other persons to or with any Company in respect of the shares in question and no equitable interest in any such shares shall be created except upon the footing and condition, that provisions of these presents are to have full effect, and such lien shall extend to all dividends from time to time declared in respect of such shares, unless otherwise agreed, the registration of a transfer of shares shall operate as waiver of the Company's lien, if any, on such shares. Provided that the Company's lien shall be extended to money called or made payable at a fixed time in respect of such shares.
Voting rights Article 29	No member shall exercise voting right in respect of any shares registered in his names on which any calls or other sums, presently payable by him, have not been paid or in regard to which the Company has exercised any right of lien.
As to enforcing lien by sale Article 30	For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for seven days after the date of such notice
Application of sale proceeds Article 31	The net proceeds of any such sale shall be applied in or towards satisfaction of the debts, liabilities or engagements of such member, his executors, administrators or representatives 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 at the date of the sale.
Validity of sales in exercise of lien and after forfeiture Article 32	Upon any sale after forfeiture or for enforcing lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered, in the register of members in respect of the shares sold, and the purchaser shall not have right to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only.
Board may issue new certificates Article 33	Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up.

## V. TRANSFER

Execution of transfer Article 34	Save as provided in Section 108 of the Act, no transfer of shares in or debentures of the Company shall be registered 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 has been delivered to the Company together with the certificate or if no such certificate is in existence the Letter of Allotment of the Shares or Debentures. The instrument of transfer of any shares in or debentures of the Company, shall specify the name, father's / husband's name, address, occupation, of the transferee. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Registered of members. Each signature to such transfer shall be duly attested by the signature of one witness who shall add his address and occupation.
Article 34A	Nothing contained in Section 109 of the act or these Articles shall apply to a transfer of shares effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository
Article 34B	The Company shall keep a 'Register of Transfers' and therein shall be fairly and distinctively entered particulars of every transfer or transmission of any share, whether or not held in material form
Article 34C	In case of transfer of share where the Company has not issued any certificate and where such shares are being held in electronic and fungible form, the provisions of Depositories Act shall apply.
Application for transfer Article 35	Application for the registration of the transfer of a share may be made either by transferor or the transferee. Where such application is made by the transferor and relates to a partly paid share, no registration shall be effected unless the Company gives notice of the application to the transferee, in the manner prescribed by Section 110 of the Act. Subject to the provisions of Articles hereof, if the transferee makes no objection within two weeks from the date of receipt of the notice, the Company shall enter in the register of member 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.
Board's notice to regd. Holder for transfer Article 36	Before registering any transfer tendered for registration the Company may, if it thinks fit, give notice by letter posted in the ordinary course to the registered holder, that such transfer deed has been lodged and that unless objection is made the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within ten days from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder the Company shall be deemed to have decided no to give notice and in any event the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Board in respect of such non-receipt.
Form of transfer Article 37	The instrument of transfer shall be in writing and all the provisions of section 108 of the Act shall be duly complied with in respect of all transfers of shares and the registration thereof.
Directors may refuse to register transfer Article 38	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 and by giving reasons decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the company but in such cases the director shall within 1

	month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person indebted to the company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.
No transfer to minor etc. Article 39	No transfer shall be made to a minor or to a person of unsound mind provided that, subject to the provision of these Articles, such restriction shall not apply to a transfer of full paid up shares in favour of or by a minor.
Transfer to be left at office when be retained Article 40	Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the share if no such certificate is in existence, by the Letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
Board's refusal to transfer Article 41(1)	The Board may refuse to register the transfer of any of its securities in the name of transferee if such transfer is likely to result in such change in the composition of Board of Directors as would be prejudicial to the interest of the company or to the public interest.
Board's declination to recognize instrument of transfer Article 41(2)	The Board may decline to recognise any instrument of transfer if (a) the instrument of transfer is not accompanied by the instrument of the shares to which it relates, and such other evidence as the Board may reasonable require to show the right of the transferor; (b) the instrument of transfer is in respect of more than one class of shares; or (c) it is for transfer of any partly paid share or any share on which the Company has a lien.  Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account what-so-ever except a lien on shares.
Notice of refusal to register transfer Article 42	If the Board refuses to register the transfer of any share, the company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.
Fee on registration of transfer, probate Article 43	No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, Power of Attorney or similar other document.

## VI. TRANSMISSION

Transmission of registered shares Article 45	The executors or administrators or the holder of a succession certificate of a deceased member (not being one of serveral joint-holder) shall be the only persons whom the Company shall recognise as having any title to the shares registered in the name of such member and in case of the death of any one or more of the jointholder of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any executor or administrator or legal heir the
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	<p>Board may require him to obtain a grant or probate or letter of administration or succession certificate or other legal representation as the case may be, from a competent court in India and having effect at Calcutta.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion think fit it may dispense with production of probate or letter of administration or a succession certificate or such other legal representation upon such terms as to indemnify the Company or otherwise as the Board may considered desirable.</p> <p>Provided also that the holder of a succession certificate shall not be entitled to receive any dividend already declared but not paid to the deceased member unless the succession certificate declares that the holder thereof is entitled to receive such dividends.</p>
As to transfer of shares of insane, minor, deceased or bankrupt members Article 46	Any committee of guardian of a lunatic or minor member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share. This Article is hereinafter referred to as "The transmission Article".
Election under Transmission Article Article 47	<p>1) If the person so becoming entitled under the Transmission Article shall elect to be registered as member in respect of the share himself; he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.</p> <p>3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member has not occurred and the notice or transfer were a transfer signed by the member.</p>
Rights of persons entitled to shares under the Transmission Article Article 48	A person so becoming entitled under the transmission Article to a share by reason of the death, lunacy bankruptcy or insolvency of the member shall, subject to the provisions of these articles and of section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered member in respect of the share.
Nomination of shares Article 49A	<p>a) Notwithstanding anything contained in these Articles, every holder of shares in or holders of Debentures of the Company may, at any time nominate, in the prescribed manner under the provisions of Section 109a and 109B of the Act, a person to whom his shares or Debentures of the Company shall vest in the event of death.</p> <p>b) Where the Shares in or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner under Section 109A of the Act, a person to whom all the rights in the shares in or Debentures of the Company shall vest in the event of death of all the joint holders.</p> <p>c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or Debentures of the Company, where a nomination</p>

	<p>made in the prescribed manner under Section 109A of the Act, purports to confer on any person the right to vest the shares in or Debentures of the Company, the nominee shall, on the death of the Shareholder or holder of Debentures of the Company, or as the case may be, on the death of the joint holders, become entitled to all the rights in the shares in or ebentures of the Company, or as the case may be, all the joint holders, in relation to such shares in or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under Section 109A of the Act.</p> <p>d) Where the nominee is a minor, it shall be lawful for the holder of Shares or holder of Debentures, to make the nomination to appoint in the prescribed manner under Section 109A of the Act, any person to become entitled to Shares in or Debentures of the Company, in the event of his death, during the minority.</p>
Transmission of shares Article 49B	<p>a) Any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect either:</p> <p>i) to be registered himself as holder of the Shares or Debentures as the case may be.</p> <p>ii) to make such transfer of the Share or Debenture as the case may be as the deceased shareholder or Debenture holders could have made.</p> <p>b) If the person being a nominee, so becoming entitled elects to be registered as holder of the Shares or Debentures 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 deceased shareholder or Debenture holder, as the case may be.</p> <p>c) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Shareholder or Debenture holder had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder.</p> <p>d) A person, being a nominee, becoming entitled to a share or Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or Debenture except that he shall not, before being registered a member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided that the Board may, at any time, gibve notice requiring and such</p>



	<p>person to elect either to be registered himself or to transfer the share or Debenture, and if the notice is not complied with within 90 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.</p>
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## **VII. ALTERATION IN CAPITAL**

Article 50	<p>The Company in General Meeting by ordinary resolution may</p> <ol style="list-style-type: none"> <li>Increase its authorized share capital by such amount as it thinks expedient by creating new shares.</li> <li>Consolidate and divide all or any of its shares capital into shares of larger amount than its existing shares.</li> <li>Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled.</li> <li>Subdivide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject to the provisions of Section 94 (I) ('d') of the Act.</li> <li>Reduce its capital in any manner authorized by Section 100 to 105 of the Act.</li> </ol> <p>The powers conferred by this Article may be exercised by an ordinary resolution, except in the case of by and reduction of capital when the exercise of the power in that behalf shall be by a special resolution. The Company shall give due notice to the Registrar of Companies of any such alteration in Capital.</p>
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## **VIII. STOCKS**

Stocks Article 51	The Company in General Meeting may convert any paid up shares into stock and reconvert any stock into paid up shares of any denominations
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## **IX. SHARE WARRANTS**

Issue of share warrants Article 51	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of section 114 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (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.</p>
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## **X. BORROWING POWERS**

Power to borrow Article 57	The Board may from time to time, at its discretion, subject to the provision of sections 58A, 292 and 293 of the Act, raise or borrow, either from the directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company
Conditions on which money may be borrowed Article 58	<p>The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, 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.</p> <p>If any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board may by instrument under the company's seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to collect money in respect of calls made by the Board on members in respect of such uncalled capital and the provisions hereinbefore contained in regard to call shall mutatis mutandis apply to calls made under such authority ; and such authority may be made exercisable either conditionally or unconditionally, either presently or contingently and either to the exclusion of the director's power to otherwise and shall be assignable if expressed so to be.</p> <p>If any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board may by instrument under the Company's seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to collect money in respect of calls made by the Board on members in respect of such uncalled capital and the provisions hereinbefore contained in regard to call shall mutatis mutandis apply to calls made under such authority; and such authority may be made exercisable either conditionally or unconditionally, either presently or contingently and either to the exclusion of the directors' power or otherwise and shall be assignable if expressed so to be.</p>

## **XI. GENERAL MEETINGS**

When Annual General meeting to be held Article 63	In addition to any other meetings, a general meeting of the Company shall be held within such interval as are specified in Section 166(1) of the Act and subject to the provision of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such general Meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall, except in the case where an Extraordinary General Meeting is convened under the provisions of the next following Article, be called a "General Meeting".
When other general meetings to be called Article 64	The Board may, whenever it thinks fit, call a general meeting, and it shall on the requisition of the members in accordance with Section 169 of the Act proceed to call an Extraordinary General Meeting, Provided that in the event of the Board not so proceeding to call the meeting the requisitionists may call the same as provided by the said Section.

Circulation of members' resolution Article 65	The Company shall comply with the Provisions of Section 188 of the Act as to giving Notice of Resolutions and circulating Statements on the requisition of members.
Notice of meetings Article 66	<p>Save as provided in sub-section (2) of Section 171 of the Act, not less than twenty-one days' notice shall be given of every general meeting of the company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of "special business" as defined in the Act there shall be annexed to the notice a statement complying with section 173 (2) and (3) of the Act.</p> <p>Notice of every meeting of the company shall be given to every member of the company, to the auditors of the company and to any person entitled to a share in consequence of the death or insolvency of a member in the manner specified in the Act for the giving of notices to such persons.</p> <p>The accidental omission to give any such notice to or its non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.</p>

## **XII. PROCEEDINGS AT GENERAL MEETINGS**

Quorum Article 67	No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as hearing otherwise provided, five members present in person shall be a quorum
Chairman of general meeting Article 68	The Chairman of the Board shall be entitled to take the chair at every General Meeting. If there be no such chairman or fit at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the Managing Director, where he is not the chairman of the Board shall be entitled to take the chair. If the Managing Director is also not present within the aforesaid time or is unwilling to act then the directors present shall choose one of their number to be the Chairman of the meeting and if no Director be present or if all the directors present decline to take the chair, then the members present shall on a show of hands or on a poll, if properly demanded, elect one of their number being a member entitled to vote, to be Chairman.
How questions to be decided at meetings casting vote Article 69	Every question submitted to meeting shall be decided, in the first instance, by a show of hands and in the case of an equality of votes, both on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a member.
Power to adjourn general meeting Article 70	<p>The Chairman of a General Meeting may adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>When a meeting is adjourned, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>

## **XIII. VOTES OF MEMBERS**

Votes of members	a) Save as hereinafter provided, the Equity shares shall confer the right that on
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Article 71	<p>a show of hands every member present in person shall have one vote and every person present as a General proxy (as defined in article 76) shall, if he is not entitled to a vote in his own right, have one vote.</p> <p>b) Save as hereinafter provided, the preference Shares shall confer the voting rights specified in sub-section (2) of section 87 of the Act.</p> <p>c) Save as hereinafter provided, on a poll the voting rights of members shall be as specified in section 87 of the Act.</p>
Proxies permitted Article 75	On a poll votes may be given either personally or by proxy, or in the case of a body corporate by a representative duly authorized as aforesaid.
Instrument appointing proxy to be in writing Article 76	<p>The instrument appointing a proxy shall be in writing, under the hand of the appointer or of his attorney duly authorized in writing, or if such appointer is a body-corporate be under its common seal or the hand of the Officer or attorney duly authorized, A proxy who is appointed for a speciliased meeting only shall be called a special proxy. Any other proxy shall be called a general proxy.</p> <p>A person may be appointed a proxy though he is not a member of the company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.</p>
Instrument appointing proxy to be deposited at the office Article 77	The instrument appointing a proxy and the power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.
When vote by proxy valid through authority revoked Article 78	A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given provided nevertheless, that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
Restriction on voting Article 79	No member shall be entitled to exercise any voting rights, either personally or by proxy, at any meeting of the Company 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.
Depository voting rights Article 79A	The Depository as the Registered Owner shall not have any voting rights or any other rights in respect of the shares, held by the Depository and the beneficial owner shall be entitled to all such voting rights, other rights and benefits in respect of its shares held with a Depository.
Admission or rejection of vote Article 80	<p>1)Any objection as to the admission or rejection of a vote, either on a show of hands, or on a poll made in due time shall be referred to the Chairman of the meeting who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.</p> <p>2) No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.</p>

Postal ballot Article 80A	The Company may pass resolution by postal ballot in the manner prescribed by Sec.192A of the Companies Act, 1956 and such other applicable provisions of the Act and any future amendments or re-enactments. Notwithstanding anything contained in the provision of the Act, the Company, being a listed Company, shall in the case of resolution relating to such business, as the Central Government may, by notification, declare to be considered only by postal ballot, such resolution passed by means of postal ballot instead of transacting the business in a general meeting of the Company
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#### **XIV. DIRECTORS**

Number of Directors Article 82	Unless otherwise determined by the Company in a General Meeting, the number of directors shall not be less than three and more than twelve.
Qualification share Article 83	The Directors of the Company are not required to hold any share in the Company as qualification shares.
Director's fees, remuneration and expenses Article 85	Each director shall be entitled to receive out of the funds of the Company for each meeting of the Board or a committee thereof attended by him such fee as may from time to time be determined by the Board but not exceeding such sum as may from time to time be prescribed by or under the act and applicable to the Company. The Directors shall also be entitled to receive a commission of 3% (three percent) of the net profits of the Company in each Financial year (to be computed in the manner prescribed in Section 309 of the Act) in such proportion as may be determined by the Board from time to time and in default of such determination in equal proportions. All other remuneration, if any, payable by the Company to each director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the company shall be determined in accordance with and subject to the provisions of these Article and of the Act. The directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending Board and Committee meetings, and otherwise incurred in the execution of their duties as Directors.
Remuneration for extra service Article 86	In any Director, being willing, shall be called upon to perform extra services or to make any special exertion in going or residing away from Calcutta for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee or the Board then, subject to section 198, 309 and 310 of the Act, the Board may remunerate the director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
Additional Director Article 88	The Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
Casual vacancy Article 89	The Board of directors shall also have power to fill a casual vacancy in the Board. Any director so appointed shall hold office only so long as the vacating director would have held the same if no vacancy had occurred.
Alternate Director	The Board may appoint any person to act as an alternate director for a director

Article 90	during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meeting and to attend and vote thereat accordingly; but he shall "ipso facto" vacate office, if and when the absent Director returns to the State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.
Vacation of office of Director Article 93	The office of a Director shall ipso facto become vacant upon the happening of any of the events enumerated in Section 283 of the Act.
Power to remunerate Director Article 93A	Subject to the provisions of Section 284, the Company may, by an ordinary resolution remove any Director before the expiration of his period of office and may appoint another qualified person instead. A Director so appointed shall hold office until the date up to which his predecessor would held office, if he had not been removed as aforesaid.
Office of profit Article 94	Any Director or other person referred to in Section 314 of the Act may be appointed to or hold any office or place of profit under the Company or under any subsidiary of the Company in accordance with the provisions of Section 314 of the Act.
Conditions under which Directors may contract with Company Article 95	Subject to the provisions of Section 297 of the Act, neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private Company or which such Director is a member or Director be avoid, nor shall any Director so contracting, or being such member or so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established. A Director of the Company may be or become a Director of any company promoted by the Company or in which it may be interested as a vendor, member or otherwise. No such Director shall be accountable for any benefits received as a director or member of such Company.
Disclosure of a Director's interest Article 96	Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A General notice renewable in the last month of each financial year of the Company, that a Director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and, after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. Every Director shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is a director or member and of all firms of which he is a member.

## **XV. ROTATION OF DIRECTOR**

Proportion of retirement by rotation Article 98	Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.
Rotation and retirement of Directors Article 99	At each Annual General Meeting of the Company one-third of such of the Director for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. A Debenture Director shall not be liable to retire by rotation within the meaning of this Article.

## **XVI. PROCEEDINGS OF BOARD**

Meeting of Directors Article 100	The Board of directors shall meet at least once in every three months for the dispatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit, provided that at least 4(Four) such meetings shall be held in every year.
Directors may summon meeting Article 101	A director may at any time and manager or secretary shall on the request of a director made at any time, summon a meeting of the Board.
Power to appoint committees and to delegate Article 106	The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a Committee consisting of such Director or Directors as it think fit, and may, from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

## **XVII. POWERS OF DIRECTORS**

General power of the Company vested in the Board Article 110	Subject to the provisions of the Act the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other Statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the company in General Meeting and no such regulation shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
Special powers of Directors Article 110A	a)The Board may, from time to time, provide for the management of the affairs of the company outside India (or in specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be applicable without prejudice to the general power conferred. b) The Board may, from time to time and at any time establish any offices for managing any of the affairs of the company outside India, or in any specified locality in India, and may appoint any persons to be officers or any managers or agents and may fix their remuneration and save as provide in section 292 of the Act. The Board may from time to time delegate to any person so appointed, any of the powers, authorities and discretion for the time being vested in the Board

	<p>and may authorize the members for the time being of any such local directors or any of them to fill up any vacancies therein and to act not with standing vacancies; and any such appointment or delegation may be made on such terms and subject so such conditions as the Board may think fit and the Board may, at any time, remove any person so appointed and may annul or vary delegation.</p> <p>c) The Board may, at any time and from time to time, by power of attorney under the seal, appoint any person to be the Attorney of the company for such purpose and with such powers, authorities and discretion (not exceeding those which may be delegated by the Board under the act) for such period and subject to such conditions as the Board may from time to time think fit, any such appointment may, if the Board thinks fit, be made in favour of the officers or any of the members of any offices established as aforesaid, or in favour of any company or of the members, directors, nominees persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or conveniences of persons dealing with such Attorneys as the board thinks fit.</p> <p>d) Any such delegates or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.</p> <p>e) The company may exercise the power conferred by section 50 of the Act, with regard to having an official seal for the use abroad and such power shall be vested in the Board and the company may cause to be kept in any state or country outside India, as may be permitted by act, a Foreign register of members, of debentures holders resident in any such state or country and the Board may from time to time make such regulations as it may think fit, respecting the keeping of any such foreign register, such regulations not being inconsistent with the provisions of the section 157 and 158 of the Act.</p>
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## **XVIII. MANAGING DIRECTOR**

Power to appoint Managing Director Article 111	Subject to the provisions of these Articles, Section 269, 316 and 317 of the Act, the Board may, from time to time appoint one or more Directors to be Managing Director or Managing directors of the Company, either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the company) remove or dismiss him or them from office and appoint another or others in his or their place or places.
Remuneration of Managing Director Article 113	Subject to the provisions of the act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as may from time to time be sanctioned by the Company.
Power of Managing Director Article 114	Subject to the provision of the Act and in particular to the prohibitions and restrictions contained in Section 292 thereof the Board may, from time to time, entrust to and confer upon and Managing Director or the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such tie, and to be exercised for such object and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit, and it may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may from time to time revoke, with draw, alter or vary all or any of such powers.



## **XIX. THE SEAL**

Custody of seal Article 116	The Board shall provide for the safe custody of the seal and the seal shall never be used except by the authority of the Board or a Committee of the Board authorised by the Board in that behalf and save as provided in Article 12 (a) hereof two directors or one director and the secretary of the company (if any) or such other person as the Board may appoint shall sign every instrument to which the Seal in affixed. Provided nevertheless, that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the company not withstanding any irregularity touching the authority of the Board to issue the same.
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## **XX. RESERVES**

Reserves Article 119	Subject to Section 205 (2A) of the Act, the Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debenture debts or other liabilities of the Company, for equalization of dividends, for repairing, improving or maintaining any of the property of the Company and for such other purposes of the company as the Board in its absolute discretion thinks conducive to the interest of the Company; and may subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments (other than share of the company) as is may think fit, and from time to time deal with and every such investments and dissolve of all or any part thereof for the benefit of the company, and may divide the Reserves into such special funds as it thinks fit, with full power to employ the reserves or any part thereof in the business of the company, and that without being bound to keep the same separate from the other assets.
Investment of money Article 120	All money carried to the reserves shall nevertheless remain and be profits of the Company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of Sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may from time to time think proper.

## **XXI. CAPITALIZATION OF RESERVES**

Capitalization of reserves Article 121	Any general meeting may resolve that any moneys investments, or other assets form in part of the undivided profits of the company standing to the credit of the Reserves, of any Capital redemption Reserve fund, or in the hands of the Company and available for dividend of representing premiums received on the issue of shares and standing to the credit of the share premium Account be capitalised and distributed amongst such of the members as would be entitled to received the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a capital Redemption Reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
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## XXII. DIVIDENDS

How profits shall be divisible Article 123	Subject to the rights of Members entitled to shares(if any with preferential or special rights attached thereto, the profits of the Company which it shall from time to time be determined to divide in respect of and year or other period shall be applied in the payment of a dividend on the Ordinary shares of the Company but so that a partly paid up share shall only entitle the member in respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.
Declaration of dividends Article 124	The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provision os Section 207 or the act, fix the time for payment.
Restrictions on amounts of dividends Article 125	No larger dividend shall be declared that is recommended by the Board, but the Company in general meeting may declare a smaller dividend.
Dividend out of profits only and not to carry intt. Article 126	<p>No dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or State Government for the payment of dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.</p> <p>(a)If the company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years</p> <p>(b) If the company has incurred any loss in any previous, financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.</p> <p>© The board may retain the dividends payable upon shares in respect of which any person is under the Article entitled to become a member or which any person under that Article is entitled to transfer until such a person shall become a member, in respect of such shares or duly transfer the same.</p> <p>(d) Anyone of several person who are registered as joint-holders of any share may give effectual receipts for any dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.</p> <p>(e) A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.</p> <p>(f) No unclaimed dividend shall be forfeited by the Board unless the claim there to become by law and the company shall comply with the provision of Sections 205A and 205C of the Act in respect of all unclaimed or unpaid dividends.</p>
What to be deemed net profits Article 127	The declaration of the Board as to the amount of net profits of the Company shall be conclusive.
Interim Dividends Article 128	The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the company.
Debts may be deducted	The Board may deduct from any dividend payable to any member all sums of

Article 129	money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the company.
Dividend and call together Article 130	Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the Company and the member, be set off against the call.

### **XXIII. BOOKS AND DOCUMENTS**

Books of Account to be kept Article 131	The Board shall cause to be kept in accordance with section 209 of the Act proper books of account.
Inspection by members Article 133	The Board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions of regulations, the books of account and books and documents of the Company other than those referred to in Articles 134 & 137 or any of them shall be open to the inspection of the members not being Director; and no member (not being a Director) shall have any right of inspecting any books of account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

### **XXIV. MINUTES**

Minutes to be made Article 134	<p>1) The Board shall, in accordance with the provisions of Section 193 of the act, cause minutes of all proceedings of every general meeting and of every meeting of the Board or of every committee of the Board, to be kept by making entries thereof in books / loose leaf binders provided for the purpose.</p> <p>2) Any such Minutes of any meeting of the Board or of any committee of the Board or of the company in general meeting, if kept in accordance with the provisions of section 193 of the Act shall be evidence of the matters stated in such Minutes, The Minute Books of general meetings of the company shall be kept at the Office and shall be open to inspection by members during the hours of 10 A.M. and 12 Noon on such business days as the Act requires them to be open for inspection.</p>

### **XXV. KEEPING OF REGISTERS AND INSPECTION**

Rights etc. to be maintained by Company Article 135	The Company shall duly keep and maintain at the office the various Registers required to be kept and maintain under the Act or Rules made there under.
Supply of copies of Register etc. Article 136	The Company shall comply with the provisions of Sections 39, 118, 163, 192, 196, 219, 301, 302, 307, 370 and 372 of the Act as to the supplying of copies of the registers, deeds, documents, instruments, returns, certificates and books therein mentioned to the person therein specified when so required by such persons, on payment of the charges, if any, prescribed by the said, Sections.
Inspection of Registers etc.	Subject to the provisions of Article 133 where under any provision of the Act any person, whether a member of the Company or not, is entitled to inspect any

Article 137	register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 10 a.m. and 12 Noon on such business days as the Act requires them to be open for inspection.
When Register of Members and Debenture holders may be closed Article 138	The Company may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Office is situated close the Register of Members or the Register of Debenture-holders, as the case may be, for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any time.

## XXVI. RECONSTRUCTION

Reconstruction Article 139	On any sale of the undertaking of the Company the Board or the Liquidators on a winding up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if he profits of the Company permit) or the Liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto, save only in case the Company is proposed to be or in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.
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## XXVII. WINDING UP.

Distributors of assets Article 142	If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the member shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of members registered in respect of shares issued upon special terms and conditions.
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Distribution of assets in specie Article 143	If the Company shall be wound up, whether voluntarily or otherwise the liquidators may with the sanction of a special resolution, divide among the contributories, in specie or kind, any part of the assets of the company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction, shall think fit.
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## **XXVIII. INDEMNITY**

Indemnity Article 144	Every director, Manager, Secretary or Officer of the Company or an person (whether an officer of the Company or not) employed by the Company and any person appointed auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Secretary, Officer employee or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

## **SECTION XI –OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts, not being contracts entered in the ordinary course of business carried on by our Company, which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus delivered to Registrar of Companies, West Bengal at Kolkata for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office situated at 12/1, Nellie Sengupta Sarani, Kolkata – 700087, India between 10.00 a.m. to 4.00 p.m. on any working day, excluding Saturday and Sunday, from the date of this Red Herring Prospectus until the Issue Closing Date.

#### **MATERIAL CONTRACTS**

1. Memorandum of Understanding dated 2<sup>nd</sup> February, 2007 among the Company and UTI Securities Limited, appointing them as Book Running Lead Manager to the issue.
2. Memorandum of Understanding dated 15<sup>th</sup> January, 2007 between the Company and Cameo Corporate Services Limited, appointing them as Registrar to the issue.
3. Tripartite Agreement dated 16<sup>th</sup> May 2007 among our Company, NSDL and Cameo Corporate Services Limited.
4. Tripartite Agreement dated 5<sup>th</sup> April 2007 among our Company, CDSL and Cameo Corporate Services Limited.
5. Agreement dated 30<sup>th</sup> May, 2006 for appointment of Chairman & Managing Director between Mr. Balkrishandas Mundhra and our Company.
6. Agreement dated 30<sup>th</sup> May, 2006 for appointment of Whole time Director between Mr. Raghav Das Mundhra and our Company.
7. Agreement dated 30<sup>th</sup> May, 2006 for appointment of Whole time Director between Mr. Sudarshan Das Mundhra and our Company.
8. Agreement dated 30<sup>th</sup> May, 2006 for appointment of Whole time Director between Mr. Jai Kishan Bagri and our Company.

#### **DOCUMENTS FOR INSPECTION**

1. Memorandum and Articles of Association of our Company.
2. Certificate of incorporation dated 31<sup>st</sup> October, 1990 bearing Certificate of incorporation number 21-050101 issued by the Registrar of Companies, West Bengal, issued to Simplex Projects Limited.
3. Resolution passed under section 81(1A) of the Act, at the Extra Ordinary General Meeting of our Company held on 15<sup>th</sup> December, 2006
4. Consent from the Directors, Compliance Officer, Auditor, Book Running Lead Manager, Registrar to the Issue, Bankers to our Company, Bankers to the issue Legal Advisor and Tax Consultant to act in their respective capacities.
5. Certificate dated 23<sup>rd</sup> June, 2007 from M/s. Chaturvedi & Company, Chartered Accountants and Statutory Auditors of our Company detailing the Tax Benefits.
6. Auditors' Report by M/s. Chaturvedi & Company, dated 23<sup>rd</sup> June, 2007 included in Red Herring Prospectus and copies of the Balance Sheet referred in the said report.
7. Copy of the Auditors Certificate dated 23<sup>rd</sup> June, 2007 regarding the sources and deployment of funds as on 22<sup>nd</sup> June, 2007.
8. Copy of Listing Applications made to BSE and NSE.
9. Copy of in-principal approvals from BSE and NSE.
10. Due Diligence Certificate Dated February 3, 2007 submitted to SEBI by UTI Securities Limited
11. Copy of SEBI Observation letter no. CFD/DIL/ISSUES/SM/94728/2007 dated 29<sup>th</sup> May 2007.
12. Certificate from our Company Secretary and Compliance Officer that all observations/changes/modifications as suggested by SEBI vide their observation letter CFD/DIL/ISSUES/SM/94728/2007 dated May 29, 2007 have been complied with.

## **DECLARATION**

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the government or the guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

### **SIGNED BY**

Balakrishandas Mundhra  
Chairman and Managing Director

Raghav Das Mundhra  
Director

Sudarshan Das Mundhra  
Director

Jai Kishan Bagri  
Director

Shyam Das Mundhra  
Director

Prabir Kumar De  
Director

Anand Chopra  
Director

Nitindra Nath Som  
Director

Pradeep Mishra  
Senior Vice President (Finance) & Compliance Officer

Place: June 28, 2007

Date: Kolkata

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