DRAFT RED HERRING PROSPECTUS
Dated March 30, 2010
Please read Section 60B of the Companies Act, 1956
The Draft Red Herring Propspectus will be updated upon filing with RoC
100% Book Built Issue

www.icommtele.com

ICOMM TELE LIMITED

(Our Company was originaly incorporated as Advanced Radio Masts Private Limited, on January 30, 1989, under the Companies Act, 1956. For details of changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 111 of this Draft Red Herring Prospectus)

Registered and Corporate Office: Third Floor, Trendset Towers, Beside L.V. Prasad Eye Hospital, Road No. 2, Banjara Hills, Hyderabad 500 034.
Tel: (91 40) 2355 2222; **Fax**: (91 40) 2355 2266
Contact Person: C.S. Balachandra Sunku, Company Secretary and Compliance Officer
Website: www.icommtele.com; **Email:** investors@icommtele.com

PROMOTER OF OUR COMPANY: SUMANTH PATURU

PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. [●] MILLION (THE "ISSUE") CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES ("FRESH ISSUE") BY ICOMM TELE LIMITED ("ICOMM" OR THE "COMPANY" OR THE "ISSUER") OF UP TO RS. 2,000 MILLION AND AN OFFER FOR SALE OF 1,977,918 EQUITY SHARES ("OFFER FOR SALE") BY ISITVA VENTURES PRIVATE LIMITED (THE "SELLING SHAREHOLDER"). THE FRESH ISSUE AND THE OFFER FOR SALE ARE JOINTLY REFERRED TO HEREIN AS THE "ISSUE". THE ISSUE WILL CONSTITUTE [●]% OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.#

*# Our Company is considering a Pre-IPO Placement of up to Rs. 500 million with various investors ("**Pre-IPO Placement**"). The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up capital being offered to the public.*

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH.
THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.

In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Limited ("**BSE**") and 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 Managers ("**BRLMs**") and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), this being an issue for less than 25% of the post-Issue capital of our Company, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIB**"). 5% of the QIB Portion (excluding Anchor Investor Portion) 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, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. Potential investors may participate in this Issue through an Application Supported by Blocked Amount ("**ASBA**") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") for the same. All investors other than QIBs can participate through the ASBA process. For details see "Issue Procedure" on page 217 of this Draft Red Herring Prospectus.

RISKS IN RELATION TO FIRST ISSUE

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

IPO GRADING

This Issue has been graded by [●] as [●] indicating [●]. For details see "General Information" on page 19 of this Draft Red Herring Prospectus.

GENERAL RISKS

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

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company and the Selling Shareholder, having made all reasonable inquiries, accept responsibility for and confirm that this Draft 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 Draft 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 will make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and NSE. Our Company has received an 'in-principle' approval from the BSE and NSE, for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Edelweiss Ideas create, values protect	ANTIQUE CAPITAL ANTIQUE	KARVY Karvy Computershare Private Limited
Edelweiss Capital Limited 14th Floor, Express Towers, Nariman Point, Mumbai 400 021 Tel: (91 22) 4086 3535 Fax: (91 22) 4086 3610 Email: icomm.ipo@edelcap.com Website: www.edelcap.com Investor Grievance Email: customerservice.mb@ edelcap.com Contact Person: Sumeet Lath/ Jibi Jacob SEBI Registration No.: INM0000010650	**Antique Capital Markets Private Limited** 6th Floor, Nirmal Building Nariman Point, Mumbai 400 021 Telephone: (91 22) 4031 3300 Fax: (91 22) 2204 0303 Email: icomm.ipo@antiquelimited.com Website: www.antiquelimited.com Investor Grievance Email: investors@antiquelimited.com Contact Person: Sandeep Sharma SEBI Registration No: INM000011385	**Karvy Computershare Private Limited** Plot No 17-24, Vithal Rao Nagar Madhapur, Hyderabad 500 081 Telephone: (91 40) 2342 0815 Facsimile: (91 40) 2343 1551 Email: einward.ris@karvy.com Website: http:\\karisma.karvy.com Contact Person: Murali Krishna SEBI Registration No.: INR00000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON: [●]*	BID/ISSUE CLOSES ON: [●]

** Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date*

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Term	Description
"we", "us" or "our"	ICOMM Tele Limited and its Subsidiaries on a consolidated basis, except in "Management's Discussion and Analysis of Standalone Financial Condition and Results of Operations" on page 154 of this Draft Red Herring Prospectus, where such words refer to ICOMM Tele Limited, unless the context requires otherwise
"our Company", "the Issuer", "ICOMM" or "the Company"	ICOMM Tele Limited

Company Related Terms

Term	Description
ACDL	ACD Communications Private Limited
Articles/Articles of Association/AoA	The articles of association of our Company
Audit Committee	The Committee of Directors constituted as our Company's Audit Committee in accordance with Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges
Auditors	The joint statutory auditors of our Company, Deloitte Haskins and Sells, Chartered Accountants and Nataraja Iyer and Co., Chartered Accountants
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof
CoI	Certificate of Incorporation
CCPS	Series A Convertible Cumulative Participatory Preference Shares of Rs. 10
CoR	Certificate of Registration
Director(s)	The Director(s) of our Company, unless otherwise specified
Gemtek	Gemtek Technology Company Limited
Group Entities	Includes those companies, firms and ventures promoted by our Promoter, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act and disclosed in "Our Promoter and Group Companies" on page 136 of this Draft Red Herring Prospectus
IEL	ICOMM Energy Limited
IILPL	ICOMM International Lanka (Private) Limited
IFL	Isitva Fasteners Limited
IGF	India Growth Fund, a unit scheme of Kotak SEAF India Fund
Investors	Each of India Growth Fund and Tano Mauritius India FVCI who have subscribed to securities of our Company pursuant to the Shareholders Agreements and who currently hold Equity Shares of our Company. For further details, see "History and Certain Corporate Matters" on page 111 of this Draft Red Herring Prospectus
IGF Shareholders Agreement	The shareholders' agreement dated February 6, 2008 between our Company, Paturu Ramrao, Isitva Ventures Private Limited, Paturu Vijaya Lakshmi, Sumanth Paturu, Paturu Ramrao (smaller HUF), Paturu Ramrao (bigger HUF) and India Growth Fund
ISPL	Isitva Steel Private Limited
IVPL	Isitva Ventures Private Limited
Memorandum/ Memorandum of Association	The memorandum of association of our Company
Promoter Group	Includes such persons and entities constituting our promoter group in

Term	Description
	terms of Regulation 2(zb) of the SEBI Regulations
Promoter	Our promoter being Sumanth Paturu
Registered Office	Third Floor, Trendset Towers, Beside L.V. Prasad Eye Hospital, Road No. 2, Banjara Hills, Hyderabad 500 034
Selling Shareholder	Isitva Ventures Private Limited
Shareholders' Agreement	Together, the Shareholders' Agreement and the Supplementary Shareholders Agreement.
Supplementary Shareholders Agreement	The supplementary shareholders agreement dated March 20, 2008 between our Company, Paturu Ramrao, IVPL (formerly known as "PSR Builders and Developers Private Limited"), Smt. P. Vijaya Lakshmi, Sumanth Paturu, Paturu Ramrao (smaller HUF), Paturu Ramrao (bigger HUF), Tano and IGF
Subsidiaries	IEL, IILPL and VIL
Tano	Tano Mauritius India FVCI
VIL	Vasitva Ispat Limited

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment and transfer of Equity Shares pursuant to this Issue to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of Rs. 100 million
Anchor Investor Bid/Issue Period	The day, one working day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by the Company and the Selling Shareholder in consultation with the BRLMs
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by the Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Up to 30% of the QIB Portion, equal to a maximum of [●] Equity Shares of our Company, which may be allocated by our Company and the Selling Shareholder to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors
Antique	Antique Capital Markets Private Limited
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by all Bidders other than QIBs to make a Bid authorising an SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bidder	Any Bidder other than a QIB Bidder intending to apply through ASBA
ASBA Bid cum Application Form or ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful

Term	Description
	Bidders under the Issue and which is described in the section entitled "Issue Procedure – Basis of Allotment" on page 240 of this Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder, or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto For the purpose of ASBA Bidders, it means an indication to make an offer during the Bidding/ Issue Period by an ASBA Bidder pursuant to the submission of ASBA Bid cum Application Form to subscribe to the Equity Shares
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid /Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Telugu newspaper, each with wide circulation
Bid /Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Telugu newspaper, each with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application Form (if applicable)
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders (except Anchor Investors) and the ASBA Bidders can submit their Bids
Book Building Process/Method	Book building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs/Book Running Lead Managers	The Book Running Lead Managers to the Issue, in this case being Edelweiss and Antique
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Issue Price, finalised by our Company and the Selling Shareholder in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000 are entitled to Bid at the Cut-off Price. No other category of Bidders are entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Forms used by the ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors

Term	Description
	shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated March 30, 2010 issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered and the size of the Issue
Edelweiss	Edelweiss Capital Limited
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Equity Shares	Equity shares of our Company of Rs. 10 each, unless otherwise specified
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated [●] to be entered into by our Company and the Selling Shareholder, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form or ASBA Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	The issue of Equity Shares up to Rs. 2,000 million at the Issue Price by our Company
IPO	Initial Public Offering
Issue	Collectively, the Fresh Issue and the Offer for Sale Our Company is considering a Pre-IPO Placement of up to Rs. 500 million with various investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up capital being offered to the public
Issue Agreement	The agreement dated March 30, 2010 entered into amongst our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which the Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company and the Selling Shareholder
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion)
Net Proceeds	The Fresh Issue Proceeds that are available to the Company excluding

Term	Description
	the proceeds of the Offer for Sale and the Issue related expenses.
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Offer for Sale	The offer for sale by the Selling Shareholder of 1,977,918 Equity Shares of Rs. 10 each at the Issue Price
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to the Bidders for payment of the balance amount, as applicable
Pay-in-Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date With respect to Anchor Investors, it shall be the Anchor Investor Bid/ Issue Period and extending until two working days after the Bid/ Issue Closing Date
Pre-IPO Placement	A pre-placement of up to Rs. 500 million to various investors made by our Company prior to the filing of the Red Herring Prospectus with the RoC.
Price Band	Price Band of a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and include revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company and the Selling Shareholder in consultation with the BRLMs and advertised, at least two working days prior to the Bid/ Issue Opening Date, an English national newspaper, an Hindi national newspaper and a Telugu newspaper, each with wide circulation
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLMs, finalises the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account(s)	An account(s) opened with the Bankers to the Issue to receive monies from the Escrow Account and from the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount, paid by QIB Bidders (excluding Anchor Investors) at the time of submission of their Bid
QIB Portion	The portion of the Issue being at least [●] Equity Shares of Rs. 10 each to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 250 million, pension fund with minimum corpus of Rs. 250 million and National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India.
Red Herring Prospectus or RHP	The 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 offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid Opening Date and will become a Prospectus upon filing with the

Term	Description
	RoC after the Pricing Date
Refund Account(s)	The account(s) opened with Escrow Collection Bank(s), from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Banker(s)	[●]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar /Registrar to the Issue	Registrar to the issue, in this case being Karvy Computershare Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs applying through their karta and Eligible NRIs) who have not Bid for Equity Shares for an amount of more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than [●] Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the Issue registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	The BSE and the NSE
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate, our Company and the Selling Shareholder in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	Antique Stock Broking Limited and [●]
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement amongst the Underwriters, our Company and the Selling Shareholder to be entered into on or after the Pricing Date

Technical and Industry Terms

Term	Description
3G	International Mobile Telecommunications-2000 (IMT-2000), or Third Generation
4G	International Mobile Telecommunications Advanced (International Mobile Telecommunications Advanced) or Fourth Generation
AMS	Annual Maintenance Service
APDRP	Accelerated Power Development and Reform Programme
APNPDCL	Northern Power Distribution Company of Andhra Pradesh Limited
APSPDCL	Southern Power Distribution Company of Andhra Pradesh Limited
BEL	Bharat Electronics Limited
BOOM	Build, Own, Operate and Maintain
BOOT	Build, Own, Operate and Transfer
BSNL	Bharat Sanchar Nigam Limited
CEA	Central Electricity Authority
CNC	Computer Numeric Control
CDMA	Code Division Multiple Access
DOFA	Defence Offset Facilitation Agency
DoT	Department of Telecommunications
DPSUs	Defence Public Sector Undertakings
DRDO	Defence Research and Development Organisation
EPC	Engineering Procurement and Construction

Term	Description
GEPON	Gigabit Ethernet Passive Optical Network
GSM	Global System for Mobile Communications
HFC	Hybrid fibre-coaxial
LAN	Local Area Network
LED	Light emitting diode
LTE	Long Term Evolution
MTNL	Mahanagar Telephone Nigam Limited
NCNC	No Cost No Commitment
Node B	Base Transceivers Stations
OEM	Original Equipment Manufacturer
OFB	Ordnance Factory Board
OFC	Optical Fibre Cable
O&M	Operation and Maintenance
PTPS	JSC Podovodtruboprovodstory
R&D	Research and Development
RLDCs	Regional Load Despatch Centres
SDH equipment	Synchronous Digital Hierarchy
SEBs	State Electricity Boards
SERCs	State Electricity Regulatory Commissions
SMS	Short Message Service
SMT	Surface Mount Technology
SMPS	Switch Mode Power Supply
SSPA	Solid State Power Amplifier
T&D	Transmission and Distribution
VoIP	Voice Over Internet Protocol
WAN	Wide Area Network
WiMAX	Worldwide Interoperability for Microwave Access

Conventional/General Terms

Term	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CESTAT	Central Excise and Service Tax Appellate Tribunal
ckm	Circuit kilo meters
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DP ID	Depository Participant's Identity
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
ESOP	Employee Stock Option Plan

Term	Description
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
ISO	International Organisation for Standardisation
kV	Kilo Volts
kms	kilo meters
kvA	Kilo Volt Amperes
Lankan Rupees or LKR	Sri Lankan Rupees
LIBOR	London Interbank Offered Rate
MD	Managing Director
Mn	Million
MoD	Ministry of Defence
MoU	Memorandum of Understanding
MTs	Metric Tonne
MW	Mega Watt
NAV	Net Asset Value
NCD	Non Convertible Debentures
NEFT	National Electronic Funds Transfer
NLDC	National Load Despatch Centre
NOC	No Objection Certificate
NA	Not Applicable
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3,

Term	Description
	2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Re.	One Indian Rupee
RoC	The Registrar of Companies, Andhra Pradesh situated at 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad 500195, Andhra Pradesh
RONW	Return on Net Worth
Rs./ INR	Indian Rupees
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SBAR	State Bank of India Benchmark Advance Rate
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
SACFA	Standing Advisory Committee on Radio Frequency Allocations
State Government	The Government of a State of India
Stock Exchange(s)	BSE and/or NSE as the context may refer to
STT	Securities Transaction Tax
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S./USA	United States of America
UIN	Unique Identification Number
UNCITRAL	United Nations Commission on International Trade Law
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and all references to the "U.S.", "USA", or the "United States" are to the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information in "million" units. One million represents 1,000,000. For definitions, see "Definitions and Abbreviations" on page i of this Draft Red Herring Prospectus. In the section "Main Provisions of Articles of Association" on page 260 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI Regulations and Indian GAAP. Our fiscal year commenced on July 1 and ended on June 30 of next year for the twelve month period ended June 30, 2008, 2007, 2006 and 2005. However, for the year 2009, our financial year commenced on July 1 of 2008 and ended on September 30, 2009. In this Draft Red Herring Prospectus, all references to fiscals 2005, 2006, 2007 and 2008 refer to the twelve month periods ended June 30 of the respective years. 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, IFRS and U.S. GAAP. This Draft Red Herring Prospectus does not contain a reconciliation of our financial statements to IFRS or U.S. GAAP nor does it include any information in relation to the differences between Indian GAAP, IFRS and U.S. GAAP. See "Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition. Our failure to successfully adopt IFRS could have a material adverse effect on our stock price".

Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP and the Companies Act. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP and the Companies Act on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of the Issue and the financial information relating to our Company. We have not attempted to explain the differences between Indian GAAP, IFRS and U.S. GAAP herein or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Standalone Financial Condition and Results of Operations" and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements.

Currency and units of presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "U.S Dollars" are to United States Dollars, the official currency of the United States of America. All references to "Lankan Rupees" or "LKR" are to Sri Lankan Rupees, the official currency of Sri Lanka. Based on the RBI reference rate, the exchange rate as on December 31, 2009 was USD 1 = Rs. 46.68 and as on September 30, 2009 was USD 1 = Rs. 48.81. Further, the exchange rate as on December 30, 2009 was LKR 1 = Rs. 0.40 and as on September 30, 2009 was LKR 1 = Rs. 0.42.

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the

SEBI Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Industry and Market data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. To the extent to which the industry and market data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements." All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Investors can generally identify forward-looking statements by the use of terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" "contemplate", "future", "goal", "propose", "may", "seek", "should", "will likely result", "will seek to" or other words or phrases of similar import. 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.

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

- Increased costs for raw materials, purchased items and fuel, interruptions in their availability and poor quality of these materials;
- Lack of long term fixed price contracts with our raw material suppliers;
- Dependence on award of projects by a limited number of significant clients;
- Breakdown or non-availability of machines and equipment;
- High working capital and capital expenditure requirements;
- Adverse changes in Government policies or budgetary allocations; and
- Demand for telecommunication tower space or Optical Fibre Communication assets.

For further discussion of factors that could cause our actual results to differ, see "Risk Factors", "Business" and "Management's Discussion and Analysis of Standalone Financial Condition and Results of Operations" on pages xiii, 76 and 154 of this Draft 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. Forward looking statements speak only as of the date of this Draft Red Herring Prospectus. We, the Selling Shareholder, the members of the Syndicate and their respective affiliates do not have any obligation to, and do not intend 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, we and the Selling Shareholder, the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. If any of the following risks, or additional risks and uncertainties that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose part or all of your investment in the Equity Shares.

The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

Unless otherwise stated, the financial information of the Company used in this section is derived from our consolidated financial statements under Indian GAAP, as restated.

Internal Risk Factors and Risks Related to our Business

1. ***Increased costs for raw materials, purchased items and fuel, interruptions in their availability and poor quality of these materials may adversely affect our results of operations.***

   Our business is significantly affected by the availability, cost and quality of the raw materials, purchased items and fuel, which we need to construct and develop our projects and products. Our principal raw materials include steel, zinc, aluminum conductors, steel pipes, insulators, cables, diesel oil, concrete, cement, reinforcement bars and valves. The prices and supply of these and other raw materials, purchased items and fuel depend on factors beyond our control, including general economic conditions, competition, production levels, transportation costs and import duties. Although we generally provide for price contingencies in our contracts to limit our exposure, if, for any reason, our primary suppliers of raw materials, purchased items and fuel should curtail or discontinue their delivery of such materials to us in the quantities we need or at prices that are competitive or expected by us, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted, and our earnings and business could suffer. Further, we may not be able to pass on any increase in the cost of manufacturing our products to our customers, which may adversely affect our results of operations. Additionally, we rely on manufacturers and other suppliers for certain products and do not have control over the quality of products they supply, which may adversely affect the quality and workmanship of our projects.

   We have used and intend to use third-party transportation providers for the supply of most of our raw materials and for deliveries of our products to our customers. Transportation costs have been steadily increasing in recent years. Continuing increases in transportation costs may have an adverse effect on our business and results of operations. In addition, transportation strikes by members of truckers' unions and shipping delays have had in the past, and could have in the future, an adverse effect on our receipt of supplies and our ability to deliver our products.

2. ***Lack of long term fixed price contracts with our raw material suppliers may adversely affect our business and results of operations.***

   We buy our raw materials at market prices on a spot contract basis. While we have not experienced any significant interruptions to our operations due to unavailability of raw materials, the absence of an assured supply of raw materials or protection against an increase in the price of the raw materials may adversely affect our business, financial condition, results of operations and prospects.

3. ***Increases in the costs of executing our EPC contracts that are not covered by variation clauses in our agreements could adversely affect our results of operations.***

   An increase in the quantity of material, fuel and labour required to execute our EPC contracts could cause the actual expense to us for executing the project to vary from the assumptions underlying our bid for such contract, which could reduce our expected profit margin or lead to losses. We derived 94.84% of our total income from operations in the 15 months ended September 30, 2009 from our EPC segments, namely: EPC power, EPC infrastructure for power and telecom, EPC telecom and EPC other (water & waste water). Variations in the quantity of material, fuel and labour from that estimated by us could be caused by various factors, including:

   - unanticipated changes in engineering or design of the project;
   - unanticipated site conditions, including soil, terrain and weather;
   - unforeseen construction conditions, including the inability of the client to obtain environmental, right of way and other approvals, resulting in delays and increased costs;
   - suppliers' or subcontractors' failure to perform; and
   - inaccurate field surveys or estimations of variables by our tender estimation team.

   Although most our EPC contracts provide for limited price variation clauses based on, among other things, increases in the prices of certain materials, labour costs and taxes, we continue to be exposed to the risk of price changes in materials and labour costs if a price variation formula does not accurately reflect our increased costs. In addition, these contracts generally do not provide for increases in transportation costs, which exposes us to risk of increases in transportation costs.

4. ***Our business is substantially dependent on the award of projects by a limited number of significant clients from whom we derive a significant portion of our revenues. The loss of a significant client or a number of significant clients or projects from such clients for any reason, including as a result of disqualification or dispute, may have an adverse effect on our results of operations.***

   Our five largest clients in the 15 months ended September 30, 2009 and the 12 months ended June 30, 2008, accounted for 73.64% and 57.61% of our total income, respectively. Our five largest clients and the percentage they contributed to our total income in the 15 months ended September 30, 2009 were as follows: PGCIL – 28.41%; NTPC – 27.70%; Dishnet Wireless – 6.79%; BSNL – 6.31%; and APSPDCL – 4.44%. Our five largest clients and the percentage they contributed to our total income in fiscal 2008 were as follows: PGCIL – 26.00%; BSNL – 15.78%; NTPC - 10.06%; UPCL – 9.98%; and APSPDCL – 5.79%. The loss of a significant client or a number of significant clients or projects from such clients for any reason, including as a result of disqualification or dispute, may have an adverse effect on our business and our results of operations.

5. ***Projects included in our Order Book could be delayed, cancelled or not fully paid for by our clients. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to contracts in our Order Book or disputes with clients in respect of any of the foregoing, could materially harm our business, results of operations and financial condition.***

   Our Order Book as at February 28, 2010 was Rs. 16,144.59 million, out of which the 10 largest orders represented 66.08%. Our Order Book represents business that is considered firm, but cancellations or scope or schedule adjustments could occur. We could also encounter problems executing the contract as ordered, or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients could postpone a project or cause its cancellation, including delays or failures to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in contract scope and schedule, as a result of exercises of our clients' discretion, problems we encounter in project execution, or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent a contract in our Order Book will be performed.

Delays in the execution of a contract could result in our failure to receive, on a timely basis or at all, the final payments due to us on a contract. These payments often represent an important portion of the margin we expect to earn on the contract. In addition, even where a contract proceeds as scheduled, the other contracting parties could delay payment or otherwise fail to pay amounts owed to us. Further, delays in the execution of a contract could result in contractual penalties levied by the other contracting parties.

Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to contracts in our Order Book or disputes with clients in respect of any of the foregoing, could materially harm our business, results of operations and financial condition.

6. ***We have limited experience executing contracts outside India and we plan to further expand our operations outside India, which exposes us to additional risks. We may not be able to successfully manage some or all of the risks of such an expansion, which could have a material adverse effect on our results of operations and financial condition.***

To date, substantially all of our business has been conducted in India. We have been engaged by a total of ten international clients in Nepal, Sri Lanka, Bangladesh, the Philippines, Nigeria, Kuwait, Bahrain and Saudi Arabia. We plan to expand our presence in these countries and also plan to expand to other countries and regions where our international experience can provide cost and operational advantages. We face additional risks if we undertake projects in countries or regions we have not worked in before, including, adjusting our construction methods to different geographies, obtaining the necessary construction materials and labour on acceptable terms, obtaining necessary governmental approvals and permits under unfamiliar regulatory regimes and identifying and collaborating with local business parties contractors and suppliers with whom we have no previous relationship. We may not be able to successfully manage some or all of the risks of such an expansion, which could have a material adverse effect on our results of operations and financial condition.

7. ***A significant part of our business transactions are with Government entities or agencies which present particular risks. Any change in Government policies or initiatives may cause delays in executing development projects, which may adversely affect our business and results of operations.***

A significant part of our business is dependent on development projects undertaken by Governments and large Indian and international telecommunications, power or utilities companies, many of which are directly or indirectly owned or controlled by either the government of the relevant country or relevant government organizations. Our defence telecommunications business is wholly dependent on institutions under the Ministry of Defence, GoI. There could be delays in executing the projects with these authorities and institutions due to changes in Government policies or initiatives, changes in budgetary allocation or the insufficiency of funds on the part of the Government or Government organizations.

Government contracts generally also contain unilateral termination provisions in favour of the Government. The provisions generally state that the Government has the right to terminate the contract for convenience, without any reason, at any time after providing us with reasonable notice. In the event that one or more of our material contracts are terminated, our business and results of operations may be adversely affected.

In addition, documentary closure or completion of Government contracts, including the release of performance guarantees and final acceptance notices, generally takes significant amounts of time and is subject to material delays, which also adversely affects our financial condition and results of operations.

8. ***We may incur liabilities as a result of non-performance of our consortium or joint venture partners, which could have a material adverse effect on our business operations.***

We selectively enter into consortium arrangements and joint ventures in our business. Under the contracts we enter through consortium arrangements or joint ventures, we are generally jointly and severally liable with our joint venture or consortium partners for, among other things, breaches or non-performance of contract. The inability of a partner to continue with a project, due to financial or legal difficulties or otherwise, could result in us being required to bear increased and, at times, sole responsibility for the completion of the project and bear a greater share of the financial risk of the project. In the event that a claim, arbitration award or judgment is awarded against the joint-venture or the consortium, we may be responsible for the entire judgment. Further, since our partners are sometimes foreign entities, there is a risk that we may not be able to obtain compensation or indemnification from such partners.

9. ***A breakdown or non-availability of machines and equipment may adversely affect our results of operations.***

We use various machines and equipment in our business such as CNC fabrication machines, tension stringing equipment, pipe layers, welding machines and earth moving equipment. We have a limited ability to pass on increases in machine and equipment maintenance and running costs, including those resulting from a breakdown or temporary non-availability of machines and equipment. Unanticipated increases in equipment costs may also adversely affect our results of operations.

Further, any significant operational problems or the loss of our machines and equipment for an extended period of time could also adversely affect our results of operations.

10. ***If we are unable to retain or recruit key personnel or maintain uninterrupted relationships with our subcontractors of labour, our business could suffer.***

Our senior management and key managerial personnel, many of whom have decades of experience with us and in the industries in which we operate, are difficult to replace. Any loss or interruption of the services of such key personnel, or our inability to recruit qualified additional or replacement personnel, could adversely affect our business. In addition, certain aspects of our production processes depend upon highly skilled employees. As a result of economic growth in India and resultant increase in demand for skilled manpower, we may be unable to find or retain skilled personnel in sufficient numbers to satisfy our requirements. This risk may be exacerbated by Governmental policies and mandates to hire a local labour force, which may not be as skilled or available at rates commensurate with our operations in other geographical areas.

We also regularly contract with subcontractors and third parties for the provision of labour for our projects. We are dependent on these subcontractors and third parties, and if they experience disruptions related to their work force, including strikes and work stoppages, those disruptions may have an adverse effect on our business and results of operations. We cannot assure you that skilled labour, whether hired through subcontracts, third parties or directly, will continue to be available at reasonable rates and in the areas in which we execute our projects. As a result, we may be required to mobilize additional resources at a greater cost to us to ensure the adequate performance and delivery of contracted services.

In addition, the number of contract labourers engaged by us through such subcontractors varies from time to time based on the nature and extent of work. All contract labourers engaged at our facilities are paid minimum wages that are fixed pursuant to relevant State and Central laws and regulations. Any upward revision of wages required by such laws and regulations to be paid to such contract labourers, or offer of permanent employment, or the unavailability of the required number of contract labourers, may adversely affect our business, financial condition and results of operations.

Further, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to absorb a portion or all of our contract labourers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business and results of operations.

11. ***Our insurance coverage may not adequately protect us against certain operational risks or claims by our employees or third parties, and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage. Any such loss could result in an adverse effect to our financial condition.***

We maintain insurance for a variety of risks, including, among others, for risks relating to fire and certain other losses and damage to buildings and electronic equipment and loss or damage of incoming and outgoing materials and finished goods by water, road and railway. In addition, we generally carry workers' compensation and accident and medical insurance for our operations. Under many of our contracts with customers, we are required to obtain insurance for the projects undertaken by us, and as such regularly purchase specific business operations insurance policies for individual projects. However, in some cases, we may have not obtained the required insurance or such insurance policies may have lapsed prior to the completion of the project. Further, we may not have obtained insurance cover for some of our projects that do not require us to maintain insurance.

There are various other types of risks and losses for which we are not insured, such as product liability, loss of business and environmental liabilities, either on account of such risks being uninsurable or not being insurable at a reasonable premium. Should an uninsured loss or a loss in excess of insured limits occur, we could incur liabilities, lose capital invested in that property or lose the anticipated future income derived from that business or property, while remaining obligated for any indebtedness or other financial obligations related to our business. Any such loss could result in an adverse effect to our financial condition.

12. ***The nature of our business exposes us to liability claims and contract disputes and our insurance coverage and indemnities may not adequately protect us. Any liability in excess of our insurance limits, reserves or indemnities could result in additional costs, which would reduce our profits.***

Time is often of the essence in our projects. We typically enter into contracts which provide for liquidated damages for time overruns. There have been delays in some of our current orders and we have not received any extension letters and we can not assure you that we will receive such extension letters at all, or in a timely manner, which may, apart from exposing us to liquidated damages and termination, entail significant cost and time overruns. We paid liquidated damages of Rs. 7.13 million, Rs. 197.87 million and Rs. 111.23 million in the 15 months ended September 30, 2009, fiscal 2008 and fiscal 2007, respectively, which represented 0.08%, 1.85% and 1.46% of our total income on a consolidated basis for those periods, respectively.

For instance, the completion of rural electrification works undertaken by us in the Dhenkal district in the state of Orissa for NTPC that was scheduled for completion on March 2, 2010 has been delayed and we have applied for extensions of time for completion of supplies portion of such project until June 2010 and for completion of balance works until September 2010. We have not received such extensions yet.

Additionally, in some contracts, in case of delay due to our fault or because of defective work done by us, clients may have the right to appoint a third party to complete the work and to deduct additional costs or charges incurred for completion of the work from the contract price payable to us. We are generally required to furnish performance guarantees in the form of bank guarantees. In the event we fail to perform under the terms of a contract, a bank guarantee may be called upon by our customer, which could adversely affect our financial condition and results of operations

Further, we could face significant claims for damages if a project or product suffers defects. To minimize our exposure, we selectively seek indemnities from our vendors and subcontractors and generally maintain insurance policies for our projects in accordance with project requirements up to the time of final acceptance. Any liability in excess of our insurance limits, reserves or indemnities could result in additional costs, which would reduce our profits. Faults in construction might also require repair work, which may not be foreseen or covered by our insurance. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

13. ***Our operations are subject to hazards such as theft and other risks and could expose us to liabilities, loss in revenues and increased expenses. A failure to effectively cover ourselves against these risks could expose us to substantial costs and potentially lead to losses.***

    Our operations are subject to hazards, such as risks of theft, vandalism, equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe loss or damage to and destruction of property and equipment and environmental damage. Improper handling of materials and machines used in our operations can also result in accidents. We have experienced accidents resulting in casualties among contract workers. We cannot assure you that we will be able to prevent similar accidents in the future. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. A failure to effectively cover ourselves against these risks could expose us to substantial costs and potentially lead to losses.

14. ***Due to the long-term nature of many of our customer agreements, we are exposed to certain additional risks.***

    Due to the long-term nature of many of our customer agreements, we are dependent on the continued financial strength of our customers. If one or more of our major customers experience financial difficulties, this could result in uncollectible accounts receivable, which could have an adverse effect on our results of operations and financial condition.

    Further, such long term arrangements may restrict our operational and financial flexibility in certain important respects. For example, business circumstances may materially change over the life of one or more of our contracts and we may not have the ability to modify our contracts to reflect these changes. Further, being committed under these contracts may restrict our ability to implement changes to our business plan and we may be contractually restricted in our ability to, among other things, increase prices, sell our interests to third parties, undertake expansions and contract with other customers. These restrictions would limit our flexibility in operating our business, which could have a material adverse effect on our business, prospects, financial condition and results of operations. Given that our revenue structure under each contract is significantly fixed over the life of the contract (or fluctuates subject to the built-in adjustment mechanisms contained in such contract), our profitability is largely dependent upon our cost efficiency. If we are unable to effectively manage costs, our business, prospects, financial condition and results of operations may be materially and adversely affected.

15. ***Our Objects of the Issue have not been appraised and are based on internal estimates. Further, the deployment of the Net Proceeds is entirely at our discretion and is not subject to any monitoring by any independent agency.***

    We intend to use the Net Proceeds as described in the section entitled "Objects of the Issue" beginning on page 39. We have not entered into definitive agreements to utilize certain portions of the Net Proceeds, including towards the placing of orders for certain machinery that we seek to purchase. The purposes for which the Net Proceeds are to be utilized have not been appraised by any independent entity and are based on our estimates and on third-party quotations. In addition, our capital expenditure plans and working capital estimates are subject to a number of variables, including possible cost overruns and changes in management's views of the desirability of current plans, among others.

    Pending utilization of the Net Proceeds for the purposes described in this Draft Red Herring Prospectus, we intend to temporarily invest the funds in high quality interest bearing liquid instruments, including deposits with banks and investments in money market mutual funds and other financial products and investment grade interest bearing securities. Such investments would be in accordance with the investment policies or investment limits approved by our Board from time to time. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may include rescheduling of our capital expenditure programmes, an increase or decrease in capital expenditure for a particular purpose and/ or revision of our working capital requirements.

Further, as the Issue size is less than Rs. 5,000 million, there is no requirement for appointment of a monitoring agency. Our Board shall monitor the utilization of the Net Proceeds, which shall not be subject to any monitoring by any independent agency.

16. ***Our Company and Subsidiaries are involved in certain legal and other proceedings and may face liabilities as a result. Any adverse decision may have a significant adverse effect on our business and results of operations.***

We are involved in legal proceedings and claims in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. Also, we cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a significant adverse effect on our business and results of operations. Our outstanding litigations and amount outstanding to the extent ascertainable are summarized below:

Cases filed against the Company

(Rs. in million)

S.No.	Nature of Proceeding	Number of Cases/Notices	Amount
1.	Civil proceedings	5	92.75
2.	Notices involving customs tax	10	81.52
3.	Notices involving service tax	3	10.17
4.	Labour related disputes	2	1.05
5.	Land disputes	1	Nil
6.	Cases under Section 138 of the Negotiable Instruments Act, 1881	1	0.58
	Total	22	186.07

Cases filed by the Company

(Rs. in million)

S.No.	Nature of Proceeding	Number of Cases/Notices	Amount
1.	Civil proceedings	3	117.43
2.	Arbitration proceedings	3	69.63
3.	Customs tax proceedings	5	342.08
4.	Sales tax proceedings	5	18.06
5.	Service tax proceedings	2	77.44
6.	Other notices	1	93.12
7.	Cases under Section 138 of the Negotiable Instruments Act, 1881	2	4.31
	Total	21	722.07

For details regarding these legal proceedings, please see "Outstanding Litigation and Material Developments" on page 181.

17. Some of the entities forming part of our Group Entities are party to various legal proceedings.

The outstanding litigations and amount outstanding to the extent ascertainable with respect to our Group Entities are summarized below:

Cases by the group entities

(Rs. in million)

S.No.	Nature of Proceeding	Number of Cases	Amount
1.	Cases under Section 138 of the Negotiable Instruments Act, 1881	2	1.95
2.	Civil Notices	2	5.81
	Total	**4**	**7.76**

In addition, our subsidiary, IILPL has received a notice dated February 9, 2010 for the alleged non payment of certain dues. For details, see "Outstanding Litigation and Material Developments" on page 181.

Further, in some instances, our Promoter and Directors have been made party to proceedings pending against our Company and Subsidiaries. Any adverse decision may have a significant effect on our business and results of operations. For details, see "Outstanding Litigation and Material Developments" on page 181.

18. Paturu Ramrao, our founder and our former promoter, has an appeal for a criminal proceeding pending against him, which if determined adversely may negatively impact our business and operations. As a result of the criminal allegations against Mr. P Ramrao our Company was blacklisted by the DoT in fiscal 1998 for a period of eight months.

Paturu Ramrao, our founder, a member of our Promoter Group, ad our former promoter, and the father of our current Promoter and Managing Director, is a defendant in a criminal proceeding that pertains to the supply of certain radio systems to the DoT, pursuant to the award of a tender that was floated in December 1991 to the Company (then known as Advanced Radio Masts Limited or ARM Limited). With reference to the supply of systems, an FIR was filed in 1996 against Paturu Ramrao and two other Government officials (collectively the "**Accused**") alleging that a criminal conspiracy among the Accused had resulted in losses to the State Exchequer and consequent pecuniary advantages to the Accused of about Rs. 16.80 million.

A criminal review petition was subsequently filed by the three Accused before the High Court of Delhi, which by its order dated January 30, 2001, held that there was no prima facie case as there was no malice involved and that the case did not merit a trial. Pursuant to this, the Central Bureau of Investigation filed a Special Leave Petition before the Supreme Court of India, which, in turn, remitted the matter back to trial. Paturu Ramrao was convicted by the trial court on July 5, 2002 on charges of criminal conspiracy under the Indian Penal Code, 1860 and other charges under the Prevention of Corruption Act, 1988 and was sentenced to undergo rigorous imprisonment for three years and to pay a fine of Rs. 0.20 million or to undergo simple imprisonment for six months, in lieu of such fine. Against this, an appeal was filed by Paturu Ramrao before the High Court of Delhi which through an order dated September 24, 2009, inter alia, placed the matter before the appropriate division. Final resolution on the matter is awaited.

Whilst we have not experienced any significant loss of customers as a result of Paturu Ramrao's conviction, there can be no assurance that if Paturu Ramrao's appeal against his conviction is unsuccessful that there will not be a material adverse affect on our reputation, goodwill, business, results of operations and future prospects.

Further, on August 8, 1997, the DoT passed an order banning business dealings with the Company and its allied firms, for a period of two years from the date of such order. Against the order, the Company preferred an appeal to the Secretary, DoT whereby it represented that, *inter alia*: (a) Paturu Ramrao had disassociated from the Company, by resigning as a director of the Company on August 28, 1997; and by assigning the underlying voting rights with respect to Equity Shares of the Company aggregating 67.14% of the then outstanding share capital to an independent trust pursuant to a trust deed dated September 19, 1997 ("**Trust Deed**"), as a result of which he did not exercise any control over the affairs of the Company, either as a shareholder or as a director; and (b) DoT was the sole purchaser of the products manufactured by the Company and the ban would result in the Company's business being adversely affected. Based on the aforesaid representations made by the Company, the DoT passed an order dated February 13, 1998 reducing the ban of two years to a period of eight months.

The Trust Deed was subsequently dissolved and terminated by way of a letter dated January 11, 2008 by the Trustees. On such dissolution, the right to vote associated with the Equity Shares, which represented 40.85% of the then outstanding equity share capital of the Company, reverted to Paturu Ramrao. Paturu Ramrao is still associated with our Company as he now owns or controls approximately 0.14% of our total currently outstanding Equity Shares (For further details of transfers see "Capital Structure" on page 28); and has provided certain guarantees in relation to loans which our Company has availed. For further details see "Indebtedness" on page 142. As of date, Paturu Ramrao is not an officer, director or employee of the Company or a significant shareholder of the Company.

Whilst, we have not experienced any significant loss of customers owing to the blacklisting in the past, there can be no assurance that in the event that we were to be blacklisted again for any significant length of time, or other sanctions were imposed on us, it would have not a material adverse effect on our business, results of operations and financial condition.

19. ***Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition. Our failure to successfully adopt IFRS could have a material adverse effect on our stock price.***

Our financial statements, including the restated financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP. We have not attempted to explain these 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. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

The ICAI, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence with the IFRS, pursuant to which all public companies in India, including us, will be required to prepare their annual and interim financial statements under IFRS beginning with the fiscal period commencing April 1, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which we could form judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2011 could have a material adverse effect on the price of our Equity Shares.

20. ***We have high working capital and capital expenditure requirements. If we experience insufficient cash flows or are unable to borrow funds to meet working capital, capital expenditure and other requirements, there may be an adverse effect on our results of operations.***

Our business requires a significant amount of working capital and capital expenditures. Significant amounts of working capital could be required to finance the purchase of materials and the performance of engineering, construction and other work on projects before progress payments are received from clients. Significant amounts of capital expenditures are required to purchase, maintain and update plants and equipment that are important to our provision of products and services in our businesses. Generally, payments from clients are linked to completion milestones or are made monthly, and are spread out over the execution period of the contract. Consequently, there could be situations where the total funds available may not be sufficient to fulfill our commitments, and hence we may need to incur additional indebtedness in the future or utilize cash flows from operations and other activities to satisfy our working capital and capital expenditure needs. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet working capital, capital expenditure and other requirements, there may be an adverse effect on our business and results of operations.

It is customary in the industries in which we operate to provide bank guarantees in favour of clients to secure obligations under contracts. Providing security to obtain letters of bank guarantees increases our working capital needs and limits our ability to obtain further bank guarantees. If we are unable to provide sufficient collateral to secure bank guarantees, our ability to enter into new contracts could be limited.

21. ***Due to requirements with respect to capital adequacy, technical or other requirements, we may be unable to qualify to bid for certain larger projects on our own or at all and consequently lose out on opportunities to enter into those contracts.***

We may be required to satisfy capital adequacy, technical and other requirements before we are eligible to bid for certain projects. The qualification process required for our different business segments are different. If we are unable to meet the qualification requirements, we would lose out on opportunities to bid for projects unless the tender document permits tenders from consortiums or joint ventures. In that case, we would need to enter into memoranda of understanding or joint venture agreements with various other companies to meet capital adequacy, technical or other requirements that may be required as part of the bidding process or execution of the contract. In cases where we are unable to forge an alliance with appropriate companies to meet such requirements, we may lose out on opportunities to bid, which could have an adverse effect on our growth prospects and results of operations.

22. ***Our contingent liabilities could adversely affect our financial condition.***

Our contingent liabilities appearing in our restated financial statements as at September 30, 2009 aggregated Rs. 6,322.19 million on a standalone basis and Rs. 6,322.61 million on a consolidated basis. The table below sets forth our contingent liabilities on a consolidated and standalone basis not provided for in our restated financial statements as at September 30, 2009:

(Rs. in million)

Particulars	Standalone as at September 30, 2009	Consolidated as at September 30, 2009
Liability towards irrevocable letters of credit established	631.01	631.01
Liability towards bank guarantees	5661.16	5,661.58
Corporate Guarantee given to Banks and Financial Institutions for financial assistance extended to wholly owned subsidiary	30.02	30.02
Total	**6,322.19**	**6,322.61**

Almost all of our projects are covered by bank guarantees, performance guarantees, indemnity bonds, advance payment guarantees, bid guarantees, retention money guarantees or letters of credit issued by banks and other financial institutions. Some of these guarantees and letters of credit are substantial. A call on one or more of these guarantees or drawdown on letters of credit could adversely affect our banking relationships and financial results. In the event that any of these contingent liabilities materialize, our results of operations and financial condition could be adversely affected.

23. ***Our substantial variable rate indebtedness may adversely affect our profitability.***

As at March 15, 2010, Rs. 12,460.49 million, or 98.26% of our total indebtedness, consisted of variable rate debt. Increases in interest rates on our variable rate debt may increase our financing costs. Our term loans and working capital facilities have variable interest rates linked bank lending rates. Increases in the bank lending rates would increase our financing costs and may adversely affect our profitability.

24. ***The agreements governing our indebtedness contain restrictions and limitations that could significantly affect our ability to operate our business.***

The agreements governing our indebtedness contain certain restrictions and limitations, such as restrictions on issuance of new Equity Shares, incurring further indebtedness, creating further encumbrances on our assets, disposing of our assets, effecting any scheme of amalgamation or restructuring, altering our capital structure, materially changing our shareholding, undertaking guarantee obligations, withdrawing monies brought in by our Promoter, partners, relatives and friends or Directors, declaring dividends or incurring capital expenditures beyond certain limits.

In addition, some of these borrowings may contain financial covenants. Under the terms of some of these agreements, lenders may also have the right to nominate Directors on our Board. We cannot assure you that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. For instance, we have, in the past delayed the repayment of installments for certain loans as a result of which we were liable to pay penal interest but the relevant agreements with our lenders were not terminated. Further, some of our property and shares are pledged to our lenders as security for our loans. If we default under the loan agreements, our lenders may enforce the pledges. Additionally, any delay in removing the security after we repay our loans may make it difficult for us to obtain additional debt using the same collateral.

Any failure to service our indebtedness, comply with a requirement to obtain a consent or perform any condition or covenant could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

Further, in the event of default, lenders may have the right to convert the entire or part of the defaulted amount of the facility into fully paid Equity Shares.

Further, we may be liable to comply with similar stipulations in cases of agreements for indebtedness that our Group Companies may enter into. For instance, pursuant to certain loan documentation dated June 25, 2008 between Isitva Ventures Private Limited and IL & FS Financial Services Limited ("**IFIN**"), IFIN in a separate loan agreement with the Company, has imposed a condition on the Company that any default by Isitva Ventures Private Limited under the aforesaid loan document would result in an event of default under the loan agreement with the Company as well.

In addition, unsecured loans entered into by our Company may be recalled by the lenders at any time, which could have a material adverse effect on our business.

25. ***Because we generate income and incur expenses in multiple currencies, exchange rate movements may have a negative effect on our results of operations.***

Changes in currency exchange rates influence our results of operations. We report our financial results in Indian rupees, while some of our total income and expenses are denominated, generated or incurred in currencies other than Indian Rupees. Some of our total income and expenditures are denominated in a number of currencies, including the Euro, the Yen and the U.S. Dollar. We also procure materials in foreign currencies. Further, the machinery we intend to purchase out of the Net Proceeds, which represents 16.61% of the Net Proceeds, is, and our future capital expenditures may be, denominated in currencies other than Indian Rupees. Therefore, a decline in the value of the Indian Rupee against such other currencies would increase the Indian rupee cost of making such capital expenditures thereby having a negative effect on our results of operations. The exchange rate between the Indian Rupee and the U.S. Dollar and the Euro has varied substantially in recent years and may continue to fluctuate significantly in the future. To date the Company has not engaged in currency hedging transactions.

26. ***Our Promoter has given personal guarantees in relation to certain debt facilities provided to us and our Group Entities, which if revoked may require alternative guarantees, trigger repayment of amounts due or termination of the facilities, which could affect our financial condition and cash flows.***

Our Promoter has given personal guarantees in relation to certain debt facilities provided to the Company, the Group Entities aggregating Rs. 4,536.49 million for the 15 months ended September 30, 2009. In the event that any of the guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring alternate guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

27. ***If our leases for our registered office are terminated or not renewed we may suffer a disruption in our operations and alternative premises may not be available at a similar cost, which could have a material adverse effect on our business, financial condition and results of operations.***

We have entered into two lease deeds, both dated March 7, 2003, with Dr. K. Satyanarayana and Dr. K. Sivaramakrishna, in relation to the premises where our registered office is located in the city of Hyderabad. Each of these lease deeds is valid for a period of nine years beginning on February 1, 2003 and can be terminated without cause by us or the landlords. Further, our project offices and customer service centres across India are situated at properties that have been leased by us. If such leases are terminated or not renewed or our right to enjoy such leased premises is adversely effected on any account, we may suffer a disruption in our operations and alternative premises may not be available at the same or similar cost, either or both of which could have a material adverse effect on our business, financial condition and results of operations.

28. ***Our business and results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.***

Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we could incur higher labour costs, which would adversely affect our business and results of operations. For instance, in 2003, certain of our workers abstained from work for a period of 97 days on account of a decision to reduce our telecommunications manufacturing operations. In this respect, the management of our Company negotiated a settlement with our workers whereby they were awarded compensation under a voluntary retirement scheme.

29. ***We have applied for but are yet to obtain trademark registrations for our corporate names "ICOMM" and "ICOMM TELE" and our logo and until they are registered we have a limited ability to prevent the use of our name or logo or variations thereof by any other party. Any misuse of our logo by third parties or failure to obtain the trademarks may have an adverse effect on our reputation and goodwill, business and results of operations.***

We have not yet obtained trademark registrations for our corporate names "ICOMM" and "ICOMM TELE" and along with our logo. We have applied to register these names and logo, however, we may not be able to protect our trademarks and tradenames, which we rely on to support our brand awareness with clients and to differentiate our products and services from those of our competitors. We cannot assure you that we will obtain such registrations of our names and logo in a timely manner, or at all. As a result, we may not be able to prevent the use of our name or variations thereof by any other party, nor ensure that we will continue to have a right to use it. We further cannot assure you that our goodwill in such name or logo will not be diluted or harmed by misuse of our name or logo by third parties due to our failure to obtain the trademarks, which in turn would have a material adverse effect on our reputation, goodwill, business, financial condition and results of operations.

30. ***For some of our projects, we depend on third parties who supply sophisticated and complex machinery and we are exposed to risks relating to the timing or quality of their services, equipments and supplies.***

We purchase equipment, machinery and services from third parties in relation to our projects. Given that we do not have any direct control over the timing or quality of services, equipment or supplies provided by these third parties, we are relying on such suppliers to provide such goods and services on time and in accordance with our specifications.

In addition, we require continued and timely support of certain original equipment manufacturers to supply necessary services and parts to maintain the power projects at reasonable cost. If we are unable to procure the required services or parts from these manufacturers for any reason (including the closing of operation or bankruptcy of such manufacturers), if the cost of these services or parts exceeds our budgeted cost, or if the services or parts provided are deficient or sub-standard, there may be an adverse effect on our business, financial condition and results of operations.

31. ***Our Promoter, who is also our Managing Director, and certain Group Companies are engaged in business activities similar to ours.***

Our Promoter has interests in certain Group Companies and entities that may compete with us, which constitutes a potential source of conflict of interest. As at March 30, 2010, certain of our Group Companies have main objects clauses in their MOA that are similar to those of the Company.

There is no requirement for the Promoter or other entities in our Group Companies not to compete with our business. While in the past we believe that we have not faced any actual conflict, there can be no assurance that our Promoter or other Group Companies will not compete with our existing business or any future business that we may undertake, nor that their interests will not conflict with ours. Further, we cannot assure you that if any actual conflict of interest does arise, we will be able to resolve the conflict of interest in our favour.

Further, our Promoter is also on the board of directors of some of our Group Companies. In case of a conflict of interest between one of our Group Companies and us, our Promoter may favour our Group Company over us. Further, our Promoter may need to devote time to our Group Companies and may, consequently, not be able to dedicate the time and attention necessary to fulfill his obligations as a Promoter or Managing Director of the Company.
For more details regarding other Group Companies, see the section titled "Our Promoter and Group Companies" on page 136.

32. ***We have entered into certain related party transactions and expect to do so in the future and there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations.***

We have entered into certain related party transactions. For further details, refer to the section titled "Financial Information – Related Party Transactions" on page F-26. While we believe that all our related party transactions have been conducted on, and have commercial terms consistent with, an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations.

33. ***Our operating cash flows have been negative for the past three fiscal years. There can be no assurance that our operating cash flows will be positive in the future, which could materially affect our financial condition.***

Our operating cash flows have been negative for the 15 months ended September 30, 2009, fiscal 2008 and fiscal 2007. There can be no assurance that our operating cash flows will be positive in the future, which could materially affect our financial condition. The table below sets forth our operating cash flows for the 15 months ended September 30, 2009, fiscal 2008 and fiscal 2007 on a consolidated and standalone basis:

(Rs. in million)

	Net cash from / (used) Operating activities		
	15 months ended September 30, 2009	**Fiscal 2008**	**Fiscal 2007**
Consolidated	(725.65)	(747.32)	N/A
Standalone	(761.44)	(750.27)	(348.66)

34. ***One of our Subsidiaries has incurred losses in the past two years and certain of our Group Companies have incurred losses and have had negative net worth during the last three fiscal years. Any losses incurred by our Subsidiaries in the future may have an adverse effect on our consolidated financial statements.***

One of our Subsidiaries, IILPL, has incurred losses during its last two fiscal years (as per its audited financial statements), as set forth below:

(Rs. in million)

Particulars	**15 months ended September 30, 2009**	**Period ended March 31, 2008**
Profit/(Loss) after Tax	(4.75)	(13.96)

There can be no assurance that our Subsidiaries may not incur losses in the future, which may have an adverse effect on our consolidated financial statements.
Some of our Group Companies have incurred losses during the last three fiscal years (as per their audited financial statements), as set forth below:

(Rs. in million)

Sr. No.	**Name of the Group Company**	**Profit/(Loss) after Tax**		
		Fiscal 2009	**Fiscal 2008**	**Fiscal 2007**
1.	ISITVA Ventures Private Limited	(71.53)	0.70	(0.11)
2.	ISITVA Fasteners Private Limited	1.49	4.99	(5.27)
3.	ISITVA Steel Private Limited	(13.52)	1.57	(5.26)

Further, our Group Companies have had negative net worth over the last three fiscal years and for further details, please see the audited financial statements of these Group Companies as contained in the section titled "Our Promoter and Group Companies" on page 136.

35. ***Any downgrading of our credit ratings by a rating agency could have a negative impact on our ability to borrow money and the rate of interest we are charged for any future loans.***

Any adverse revisions to our credit rating for debt by a rating agency may adversely impact our ability to obtain financing under terms and conditions favourable to us or at all, which could have a negative impact on our business. In 2009, ICRA Limited downgraded the short term rating assigned to the Rs. 3,640 million short term non fund based limits of the Company from A2+ to A3 and the long term assigned to Rs. 2,650 million long term fund based/ non fund based facilities from LBBB+ to LBBB-.

36. ***Adverse changes in Government policies or budgetary allocations could harm our EPC power and EPC water and waste water and oil and gas businesses and adversely affect our results of operations.***

Our EPC power and EPC water & waste water and oil and gas businesses accounted for approximately 51.61% and 1.46% of our total income in the 15 months ended September 30, 2009. Demand for our EPC power and EPC water and waste water and oil and gas services is primarily dependent on sustained economic development in India and government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by Governments to these sectors, as well as funding provided by international and multilateral development financial institutions for these businesses. Adverse changes in Government policies or budgetary allocations could harm our EPC power and EPC water & waste water businesses and adversely affect our results of operations.

37. ***If we fail to win contracts in the EPC water and waste water and oil and gas sectors, we may not be able to recover the cost of establishing this new line of business and our prospects and results of operations could be adversely affected.***

We are planning to expand our EPC services into the water and waste water and oil and gas sectors. We face certain risks, including changes in Government regulations and competition with more experienced Indian and international companies. Further, we will require a significant amount of additional capital to fund these new lines of business and we may not be able to raise debt or equity financing on terms that would be acceptable to us, or at all. If we fail to successfully develop and market products in these new business areas, we may not be able to recover the cost of establishing these new lines of business and our prospects and results of operations could be adversely affected. We may also require various approvals from State Governments or other regulatory bodies, and there can be no assurance that we will receive such approvals in a timely manner, or at all. Further, given that we have had no prior experience in the execution of such projects, we may not be able to complete projects within stipulated schedules or may not be able to complete the project to the satisfaction of our customer. If our services are claimed to be deficient or sub-standard, we may be held liable for penalties in the form of liquidated damages, amongst other action that the customer may take. There can also be no assurance that we will be able to achieve the strategic purpose of developing such opportunities or that we will be able to achieve an acceptable return on our investment. Any failure by us to successfully carry out our operations in these sectors could have a material adverse effect on our revenues, earnings and financial condition and could constrain our long term growth and prospects.

38. ***We intend to use part of the Net Proceeds to expand our renewable energy business and our EPC services in the water and waster water oil and gas sectors. We cannot assure you that we will be able to recover the cost of such capital expenditure and our prospects and results of operations could be adversely affected.***

We will use part of the Net Proceeds to purchase capital equipment for our renewable energy business and for the expansion of our EPC services into the water and waste water and oil and gas sectors. Those businesses contributed less than 25% of our total income in the 15 months ended September 30, 2009. There can be no assurance that we will be able to recover the cost of purchasing such equipment and our prospects and results of operations could be adversely affected.

Additional Risks Applicable to Our Telecommunications Business

39. Entry of smaller players with lower overhead could increase the competition we face and put downward pressure on prices thereby affecting our margins, which may have a material adverse effect on our business and profitability.

The telecommunications industry is witnessing the entry of small players with lower overheard than our Company. As a result of their lower overheard, these new entrants are able to offer products at lower costs, which increases price competition. We may have to reduce our prices to meet the competition, which may affect our margins thereby adversely affecting our business and profitability.

40. Technological advances and regulatory changes are eroding traditional barriers between formerly distinct telecommunications markets, which could increase the competition we face and put downward pressure on prices.

New technologies, such as VoIP, smart phones, WiMAX, Long-Term Evolution ("**LTE**") and regulatory changes are blurring the distinctions between traditional and emerging telecommunications markets. As a result, a competitor in any of our business areas could potentially compete in our other business areas.

We face intense competition in each of our markets. Our major competitors used to be local players associated with international companies. We have recently witnessed expanding direct competition from international companies such as ZTE Corporation. The introduction of new technologies may reduce the cost of services similar to those that we plan to provide and create significant new competitors with superior cost structures. If we are not able to compete effectively with any of these industry participants, or if this competition places excessive downward pressure on prices, our results of operations would be adversely affected.

41. New technologies could make our business less desirable to current and/or potential customers and result in decreasing revenues, which would have a material adverse effect on our business, results of operations and financial condition.

The development and implementation of new technologies such as LTE designed to enhance the efficiency of networks could reduce the use of and need for telecommunication tower-based wireless transmission and reception services, which would likely have the effect of decreasing demand for our passive infrastructure assets. Examples of such technologies include technologies such as LTE that enhance spectral capacity. In addition, the emergence of new technologies could reduce the need for telecommunication tower-based broadcast services transmission and reception. For example, the growth in delivery of video services by direct broadcast satellites could adversely affect demand for our antenna space. The development and implementation of any of these and similar technologies to any significant degree could reduce and even eliminate the use for the business services that we provide and could have a material adverse effect on our business, results of operations and financial condition.

42. If wireless service providers consolidate or merge with each other to any significant degree, our growth, revenue and ability to generate positive cash flows could be adversely affected.

The Indian cellular telecommunication industry has experienced consolidation during the past several years, which may result in the consolidation of cellular telecommunication networks and reduced capital expenditures due to the potential overlap in network coverage and in expansion plans. Significant consolidation among our existing or potential customers may result in reduced capital expenditures in the aggregate because the existing networks of many wireless carriers overlap, as they do their expansion plans. Pursuant to any such consolidation, certain parts of our actual or potential customers' merged networks may be deemed to be duplicative and these customers may attempt to eliminate these duplications. Our future results of operations could be negatively impacted if a significant number of these contracts are eliminated from our ongoing contractual revenues and our growth prospects may be limited if such consolidations occur and eliminate what we currently believe to be potential markets for our services. Similar consequences might occur if wireless communications service providers begin to engage in extensive sharing, roaming or resale arrangements as an alternative to leasing passive infrastructure from third party operators such as our Company. In addition, the development and commercialisation of new technologies designed to improve and enhance the range and effectiveness of cellular telecommunication networks may significantly decrease demand for additional passive telecommunication infrastructure.

There can be no assurance that there will not be further consolidation of Indian cellular telecommunication operators in the future or that new technologies designed to improve and enhance the range and effectiveness of cellular telecommunication networks will not emerge, each of which could decrease our Company's revenue from its key customers and may adversely affect its business and financial condition.

43. ***Decrease in demand for telecommunication tower space or Optical Fibre Communication assets could materially and adversely affect our operating results and we cannot control that demand.***

Factors adversely affecting the demand for telecommunication tower space in India in general would be likely to adversely affect our operating results. Such factors could include:

- a deterioration in the financial condition of wireless communications service providers generally due to declining tariffs, media convergence or other factors;
- a decrease in the ability and willingness of wireless communications service providers to maintain or increase capital expenditures;
- a decrease in the growth rate of wireless communications generally or of a particular segment of the wireless communications sector;
- a decrease in consumer demand for wireless communications services due to adverse general economic conditions or other factors;
- adverse developments with respect to governmental licensing of spectrum and changes in telecommunications regulations;
- mergers or consolidations among wireless service providers;
- increased use of network sharing, roaming or resale arrangements by wireless service providers amongst themselves;
- delays or changes in the deployment of 3G, 4G, WiMAX, LTE or other communications technologies;
- delays in regulatory changes that would permit us to use our telecommunication towers as broadcasting towers or for other revenue-generating purposes;
- changing strategies of wireless service providers with respect to owning or sharing passive infrastructure;
- adverse developments with regard to zoning, environmental, health and other government regulations;
- technological changes generally; and
- general economic conditions.

Our business and proposed capital expenditure plans are based on the premise that the subscriber base for wireless telecommunications services in India will grow at a rapid pace and that Indian wireless service providers will, to a certain degree, adopt the passive infrastructure sharing model. If the Indian wireless telecommunications services market does not grow or grows at a slower rate than we expect, or the behaviours of market players do not meet our current expectations, the demand for our services and our growth prospects will be adversely affected, which would have a material adverse effect on our business, results of operations and financial condition. In addition, the development and commercialisation of new technologies designed to improve and enhance the range and effectiveness of cellular telecommunication networks may significantly decrease demand for additional passive telecommunications infrastructure.

44. ***Our costs could increase and our revenues could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated.***

Public perception of potential health risks associated with cellular and other wireless communications media could slow the growth of wireless companies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services and increase opposition to the development and expansion of tower sites, which could materially restrict our ability to expand our business and, among other things, force us to relocate existing sites, which we would only be able to do at considerable expense.

The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers in various jurisdictions. In India, petitions have been filed against the installation of telecommunication towers near residential areas owing to concerns relating to the adverse effects of electromagnetic radiation. To date, we are not aware that any such petitions have been decided in a manner that would adversely impact or restrict our business. However, we do not maintain any significant insurance with respect to these matters. If a scientific study or court decision resulted in a finding that radio frequency emissions posed significant health risks to consumers, it could materially adverse affect the market for wireless communications services, as well as our customers, which would materially adversely affect our business, prospects, results of operations and financial condition.

45. ***Our business and the results of operations may be affected if various regulatory measures with respect to infrastructure sharing among telecommunication service providers are implemented in India and may be affected by trends in the Indian passive telecommunications infrastructure market.***

The Government has been active in its regulation of the Indian telecommunications industry and recent news reports have indicated that TRAI may implement new regulatory measures with respect to infrastructure sharing among telecommunication service providers. It has been suggested that TRAI may make sharing of passive infrastructure, such as buildings and telecommunication towers, by wireless service providers among themselves mandatory, provided that appropriate commercial compensation is paid to the owners of such infrastructure. Indian telecommunications companies were initially permitted to share only passive infrastructure such as telecommunication towers, repeaters, shelters and generators. In April 2008, the DoT issued guidelines on infrastructure sharing, under which sharing of active infrastructure among service providers based on mutual agreements entered among them is permitted. In terms of these guidelines, active infrastructure sharing is limited to antenna, feeder cable, Node B, Radio Access Network and transmission systems only. These guidelines may have a significant effect on our business, and we are unable to predict the effect that any other similar regulatory actions in the future would have on our business. They could, however, incentivize operators not to use the systems of third party passive infrastructure operators such as ourselves or otherwise disadvantage our business. Alternatively, or additionally, the Government could expand its Universal Service Support for rural development which, while beneficial to our business in certain respects due to its promotion of passive infrastructure sharing, limits the overall development of telecommunication towers and related assets within areas that are subject to the scheme. This could limit our opportunities to expand our business. The implementation of any such measures could also result in increased competition in this sector. For example, if infrastructure sharing is made mandatory, companies such as BSNL, the wireless service provider with the widest coverage in India, would be required to share infrastructure with other wireless service providers. Companies such as BSNL have a competitive advantage due to the extensive coverage and reach of their network infrastructure. Such measures could adversely affect our business, results of operations and financial condition. Further, the Indian passive telecommunications infrastructure market shows low tenancy rates for shared passive infrastructure as well as an increasing trend for passive infrastructure sharing. This trend appears to be market driven and could materially impact our business, results of operations and financial condition.

Additional Risks Applicable to Our Renewable Energy Business

46. Continued Government subsidies, incentives and other support are of key importance to the solar power industry. Decrease in such incentives would increase the cost of electricity generated by solar power systems thereby decreasing demand for our products.

The solar power industry still depends substantially on Government incentives. Recent Government policy initiatives have significantly increased financial support for solar energy projects. Without Government incentives, the costs of electricity generated by solar power systems currently would not be competitive with conventional energy sources (e.g., nuclear power, oil, coal and gas) in most current markets and demand for our products would be significantly lower.

Political developments could lead to a material deterioration of the conditions for, or a discontinuation of, the incentives for solar power systems. It is also possible that Government financial support for solar power systems will be subject to judicial review and determined to be in violation of applicable constitutional or legal requirements, or be significantly reduced or discontinued for other reasons. Since inception, the solar power industry has been globally supported by incentives to bring the per unit cost to grid parity level.

A reduction of Government support and financial incentives for the installation of solar power electricity systems in any of the markets in which we currently operate or intend to operate in the future could result in a material decline in the demand for our products, which would have a material adverse effect on our business financial condition and results of operations.

47. There is a significant risk of industry-wide overcapacity in the solar power industry, which could lead to a reduction in average selling prices across the solar power value chain and a significant deterioration of profitability.

The market conditions for the solar power industry over the past years have been very strong, with demand exceeding the available supply. This has led to significant new capacity expansion plans, from both existing and new solar power companies, being announced and commissioned in all segments of the PV value chain, from polysilicon and ingots/wafers to cell and module production. The capacity expansions have resulted in overcapacity in the cell and module segments.

The current global economic crisis has led to a tightening of the financial markets, resulting in a significant reduction in the availability of financing for infrastructure projects and business in general. Funding of expansions as well as for project development has been diminished in the past two years. The inability of project developers to obtain external funding for their solar power installations have, together with caps placed on tariff regimes in several markets, has led to a significant reduction in demand for solar power installations. This has further led to a significant reduction in the demand for modules and cells, causing significant inventory build-up among the cell and module producers.

The effects of the financial crisis, especially if a situation with very limited credit availability is prolonged, can lead to a situation of prolonged overcapacity across the solar power value chain, as the reduced demand for modules and cells reaches the ingot/wafer and polysilicon suppliers, adding to the effect of the capacity expansions over the past years. Oversupply across the whole solar power value chain can result in reduced capacity utilization at the Company's production facilities, and therefore lead to higher manufacturing costs per unit, which could have a material adverse effect on the business, prospects, financial condition and results of operations of our solar energy business.

48. ***There are significant risks associated with rapid technological change, and if competitors gain advantages in the rapid development of alternative technologies, this could affect the competitive position of our Company.***

The market for renewable energy production and solar power systems is subject to rapid technological change and is characterized by frequent introductions of improved or new products and services and new and changing customer requirements. We expect that this will continue to be the case in the future.

Our success in the solar energy business depends on the timely perception of new trends, developments and customer needs, constant further development of engineering expertise and ensuring that the portfolio of products and services keeps pace with technological developments. This in particular presents the risk that competitors may launch new products and services earlier or at more competitive prices or secure exclusive rights to new technologies. If these circumstances were to materialize, it may have a material adverse affect on our business, prospects, financial condition or results of operations.

In particular, the technologies that we currently employ at each level of the value chain are those that currently dominate the market. There are, however, a number of additional technologies with cost-saving potential, particularly with respect to the production of polysilicon and silicon wafers that are already being used by the Company and others. If one or more competitors succeed in developing an alternative technology to the stage of profitable mass production, the market conditions for our products could change significantly. This could have material adverse effects on our business, prospects, financial condition and results of operations.

Additional Risks Applicable to Our Defence Business

49. ***Long gestation period in R&D of defence products, their developments, testing, approval, order procurement and servicing. Further, the products that we develop may not receive necessary regulatory approvals or may be rejected by the Government. This could have a material adverse effect on our business.***

Defence products require lengthy R&D processes and testing. The products that we develop may not receive the necessary regulatory approvals or may be rejected by the Government for a variety of reasons. This could have a material adverse effect on our business, prospects, financial condition and results of operations. By the time the product development and evaluation cycle is completed, new technologies and products may make the developed product unattractive to the potential user. Further, defence procurement in India for our products is through a tendering process and it can take substantial amount of time for a tender to be evaluated and a purchase order placed. This can result in substantial expenditure which may not result in any revenues for us.

50. ***We are required to participate in No Cost No Commitment initiatives for new programs, which can involve significant expenditure on our part and do not guarantee any revenue. This could have a material adverse effect on our business.***

We are required to participate in pre-tender trials for our products on 'No Cost No Commitment' basis ("**NCNC**"), which can involve significant expenditure on our part and do not guarantee any revenue. The products to be purchased by the Ministry of Defence ("**MOD**") are to be purchased according to adapting procedures as set forth in the Defence Procurement Policy of the India Government. As per these procedures the companies participating in MOD tenders have to submit their products to the Technical Evaluation Committees for exhaustive and lengthy evaluation tests. The products will be considered for commercial evaluation only after successful completion of NCNC trials. The products that we develop may not qualify after NCNC trials or even when technically qualified, may not emerge as the lowest priced. This can result in wasteful expenditure and in some cases, the developed product may not go into commercial manufacturing. This can result in non-achievement of projected revenues and adverse financial effects on our operations.

51. ***Our industrial licenses limit our ability to supply our defence equipment to a broad set of purchasers.***

The industrial licenses that we have obtained under the provisions of the IDRA for the manufacture of products that we develop for the MoD expressly require us to sell such products to the MoD or to other Government controlled entities with prior approval of the MoD. Such stipulations limit our ability to supply our defence equipment to a broad set of purchasers, which could limit our ability to expand our business and adversely affect our business, results of operations and financial condition.

External Risk Factors

52. ***We face significant competition in our business from Indian and international companies.***

We operate in an intensely competitive environment. The extent of the competition we face depends on the nature of the business and on the size, nature and complexity of the project and the geographical region in which the project is to be executed. We compete against major Indian, Asian and European companies. Contracts in most of our businesses are generally awarded following a competitive bidding process and satisfaction of prescribed pre-qualification criteria. While service quality, technical capability, performance record and experience, health and safety records and availability of qualified personnel are strongly considered in client decisions, price is the major factor in most tender awards. For most of the contracts we tender for, once the qualified bidders clear the technical requirements of a tender, the contract is awarded based on the lowest price of the contract quoted by the prospective bidders as evaluated by the client. As a result of this competition, we face intense margin pressure, which could have an adverse effect on our financial condition and prospects.

Our competitors in the power business include KEC International Limited, Kalpataru Power Transmission Limited, Jyoti Structures Limited, Larsen & Toubro Limited, Vijai Electricals Limited, IVRCL Infrastructures and Projects Limited, Bajaj Electricals Limited, and Henkel SPIC India Limited. In addition, infrastructure companies that were not traditionally competing in the power sector such as GMR Energy, Sterlite Technologies, Murugappa Group and Meenakshi Energy have entered into the power sector, which has lead to increased competition and pressure on margins.

Our competitors in the telecommunications business include ITI Limited, XL Telecom & Energy Limited, Aster Teleservices Private Limited, Ganges International Private Limited, Sujana Towers Limited, GTL Limited, Huawei Telecommunications (India) Co. Private Limited, Prithvi Solutions Limited, Teracom Limited, Himachal Futuristic Communications Limited, United Telecom, Bharat Electronics Limited, Nortel, U-FOAM Private Limited, and ACME Tele Power Limited.

In our infrastructure development business, our major competitors include IVRCL Infrastructures and Projects Limited, Subhash Projects and Marketing Limited, Nagarjuna Constructions Company Limited.

In our solar power business, our major competitors include Photon Energy Systems Limited, Solar Semiconductors Private Limited, Tata BP Solar India Limited and SunTechnics Energy Systems Private Limited.

In our defence business, our major competitors include HBL Power Systems Limited and Astra Microwave Products Limited.

Many of our competitors are larger than us and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. As a result, our competitors may be able to present lower bids for contracts than we do, causing us to win fewer tenders. We cannot assure you that we can continue to compete effectively in the future.

53. ***We operate in a highly regulated environment, and the government policies, laws and regulations affecting the sectors in which we operate and the related industries, could adversely affect our operations and our profitability.***

Our businesses are regulated by the Central Government and State Governments in India, as well as by the governments of the countries in which we operate. Please see "Regulations and Policies" beginning on page 102 for a description of laws and regulations applicable to us in India. The regulatory framework in India is evolving and regulatory changes could have an adverse effect on our business, results of operations and financial condition. Noncompliance with any regulation may also lead to penalties, revocation of our permits or licenses or litigation.

Future government policies and changes in laws and regulations in India and elsewhere may adversely affect our business and operations, and restrict our ability to do business in our existing and target markets. The timing and content of any new law or regulation is not in our control and such new law or regulation could have an adverse effect on our business, results of operations and financial condition.

Regulatory changes in the foreign countries in which we operate may require us to, among other things, obtain licenses or permits in order to bid on contracts or conduct our operations or enter into a consortium arrangement, joint venture, agency or similar business arrangement with local individuals or businesses in order to conduct business in those countries. These laws and regulations may also encourage or mandate the hiring of local contractors and require foreign contractors to employ citizens of, or purchase supplies from within, the relevant country. In addition, we may become involved in proceedings with regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for compliance with such laws and regulations.

54. ***We require regulatory approvals in the ordinary course of our business, and the failure to obtain them in a timely manner or at all may adversely affect our operations.***

We require regulatory approvals, sanctions, licenses, registrations and permissions to operate our businesses, some of which expire from time to time. We generally apply for renewals of such regulatory approvals, sanctions, licenses, registrations and permissions, prior to or upon their expiry. For more information, see "Government and Other Approvals" on page 190. However, we cannot assure you that we will obtain all regulatory approvals, sanctions, licenses, registrations and permissions that we may require in the future, or apply in time or receive renewals of existing or future approvals, sanctions licenses, registrations and permissions in the time frames required for our operations or at all, which could adversely affect our business.

Further, we have received certain CST and VAT registrations for some of our centres at certain addresses, at which we no longer operate. We are in the process of filing the necessary address change applications with the relevant tax authorities.

In addition, we operate project offices and customer service centres across India. These are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. Most of these centres have not applied for such registration. If we fail to obtain any of these licenses, our business may be adversely affected.

55. Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect our financial condition and results of operations.

We are subject to environmental, health and safety regulations. For further details, Please see "Regulations and Policies" beginning on page 102. Governments may take steps towards the adoption of more stringent environmental, health and safety regulations, and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. For example, these regulations can often require us to purchase and install expensive pollution control equipment or make changes to our existing operations to limit any adverse impact or potential adverse impact on the environment or the health and safety of our employees, and any violation of these regulations, whether or not accidental, may result in substantial fines, criminal sanctions, revocations of operating permits or a shutdown of our facilities. Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditures to comply with regulatory requirements may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental, health and safety regulations we are subject to, we may need to incur substantial capital expenditures to comply with such new regulations. Our costs of complying with current and future environmental, health and safety laws and our liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition and results of operations.

56. Taxes and other levies imposed by the Government, as well as other financial policies and regulations, may have an adverse effect on our business, financial condition and results of operations.

We are subject to taxes and other levies imposed by the Government, including customs duties, excise duties, central sales tax, state sales tax, service tax, income tax, value added tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Government may adversely affect our competitive position and profitability. In addition, currently we enjoy certain tax benefits, such as benefits under Section 80-IB of the Indian Income Tax Act, 1961, as amended, relating to infrastructure development projects, which enables the effective rates of the loans incurred by such entities to be lower and decreases the effective tax rate compared to the tax rates that we estimate would have been applicable if these incentives had not been available. We cannot assure you that such tax incentives will continue to be available in the future. Changes in or elimination of such tax incentives could adversely affect our financial condition and results of operations.

57. Pursuant to the Finance Bill, 2010, the tax rates applicable to our Company may increase which may have an adverse impact on our business.

On February 26, 2010, the Central Government presented its proposed budget for the fiscal year ending March 31, 2011, or the Finance Bill, 2010. Subject to approval of the Parliament and the President, the Finance Bill, 2010 will be enacted into legislation, the Finance Act, 2010. If the Finance Act, 2010 is enacted, with or without modifications to the Finance Bill, 2010, tax rates could change and this may have an adverse impact on our business and results of operations. For instance, regulatory changes such as reductions of tariffs on imported equipment as compared to indigenous equipment could increase the competition we face and adversely affect our business. We can provide no assurance as to the extent of the impact of such proposed changes that we may face on account of the Finance Bill, 2010 or other regulatory enactments.

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

We derive substantially all of our revenues from operations in India and, consequently, our performance and growth is dependent on the state of the overall Indian economy. The Indian economy has shown sustained growth over the last several years, with real GDP growing at 6.7% in the year ended March 31, 2009, 9.3% in the year ended March 31, 2008 and 9.2% in the year ended March 31, 2007. However, growth in industrial production in India has been variable. Any slowdown in the Indian economy could adversely affect our business and the businesses of our customers. The Indian economy, following a period of significant growth, has more recently been adversely affected by challenging global market and economic conditions that has caused and may continue to cause a downturn in the economic growth rate in India. The current economic slowdown has had and could continue to have, and any future slowdown in the Indian economy could have a material adverse effect on the capital expenditure budgets of our customers and, as a result, on our financial condition and results of operations.

59. ***Political instability or changes in the Government could adversely affect economic conditions in India and consequently, our business.***

Our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms. The current Government has announced that its general intention is to continue India's current economic and financial sector liberalisation and deregulation policies. However, there can be no assurance that such policies will be continued, and a significant change in the Government's policies could affect business and economic conditions in India, and could also adversely affect our financial condition and results of operations.

Political instability or changes in the Government could delay further liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

60. ***Adverse working conditions could affect our business and results of operations.***

We have business activities that could be adversely affected by severe weather or other adverse working conditions. Incidences of severe weather conditions or other adverse working conditions such as earthquakes may require us to evacuate personnel or curtail services, damage our equipment or our facilities, requiring us to suspend our operations, preventing us from maintaining our contract schedules or generally reducing our productivity and profitability. Our operations are also adversely affected by difficult working conditions, including extremely high temperatures during summer months and heavy rain during monsoons, which could restrict our ability to carry on construction activities and fully utilize our resources.

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

62. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to obtain financing, and the interest rates and other commercial terms at which such financing is available. Such revisions could have an adverse effect on our business and financial condition, our ability to obtain financing for working capital and capital expenditures and the price of our Equity Shares.

63. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect us.***

According to a report released by the RBI, India's foreign exchange reserves increased to US$ 309.7 billion by March 31, 2008, decreased to US$ 252 billion by March 31, 2009, and increased to US$ 281.3 billion by September 30, 2009. A decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy, which in turn could adversely affect our business and future financial performance and the market price of our Equity Shares.

64. ***Our ability to freely raise foreign currency denominated debt outside India may be constrained by Indian law.***

We are required to obtain regulatory approvals for foreign direct equity investment and to raise foreign currency denominated indebtedness outside India. The need to obtain such regulatory approval for future indebtedness, if any, could limit our ability to raise funds necessary for us to grow our business, including to modernize our facilities and make strategic acquisitions. No assurance can be given that any required approvals will be obtained in a timely manner, or at all. Further, foreign direct equity investment is permitted only up to 26% of our Equity Shares. Our Company will make an application to the FIPB for its approval in relation to the participation of eligible non-residents including NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions in the Issue and also for certain *ex post facto* approvals in relation to existing and proposed investments in the Company. The Company has further undertaken to make applications to the Reserve Bank of India pursuant to obtaining the approval of the FIPB in relation to the Offer for Sale and in relation to certain existing and proposed investments in the Company. There can be no assurance that these approvals will be received in a timely manner or on favourable terms or at all.

65. ***Our operations in foreign countries are subject to political, economic, regulatory and other risks of doing business in those countries.***

We have international operations, including operations in Africa, the Middle East, and South Asia that we either conduct directly or through project-specific consortiums with foreign partners. Outside of India, we currently have project offices in Nepal and Sri Lanka. As many of our clients are governmental entities, we are subject to additional risks, such as risks associated with uncertain political and economic environments and government instability, as well as legal systems, laws and regulations that are different from the legal systems, laws and regulations that we are familiar with in India, and which may be less established or predictable than those in more developed countries. In addition, we could be subject to expropriation or deprivation of assets or contract rights, foreign currency restrictions, exchange rate fluctuations and unanticipated taxes or encounter potential incompatibility with foreign joint venture partners or consortium members.

In our operations, we may, at any one time, have a substantial portion of our resources dedicated to projects located in a few countries or a specific geographical region, which expose us to risks in those jurisdictions.

We are currently executing projects in nine countries, not including India, and some of our full time and casual employees are located in such countries. In order to manage our day-to-day operations, we must overcome cultural and language barriers and assimilate different business practices. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws and customs of different jurisdictions. Our failure to manage successfully our geographically diverse operations could impair our ability to react quickly to changing business and market conditions and comply with industry standards and procedures.

66. ***Third party statistical and financial data in this Draft Red Herring Prospectus may be incomplete or unreliable***

We have not independently verified data from industry publications and other sources and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economy or the industries in which we operate in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

67. ***An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could adversely affect our business.***

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern, such as swine influenza, could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business. Although, we have not been adversely affected by such outbreaks in the past, we can give you no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on our business.

Risks Related to Equity Shares

68. ***We have issued Equity Shares at prices that may be lower than the Issue Price in the last 12 months.***

In the last 12 months, we have issued the following Equity Shares at a price that may be lower than the Issue Price.

Date of Allotment	**Name of Allotee**	**Equity Shares**	**Face Value (Rs.)**	**Issue Price (Rs.)**
March 15, 2010	Allotment of Equity Shares to IGF pursuant to conversion of the CCPS	4,064,435	**10**	172.23

For further details of such issuances, please see "Capital Structure" on page 28.

69. ***We will be controlled by our Promoter as long as he owns a majority of our Equity Shares, and our other shareholders will be unable to affect the outcome of shareholder voting during such time.***

The Promoter, including the Promoter Group, owns approximately 83.95% of our issued and outstanding equity share capital prior to the Issue. As a result, our Promoter will continue to exercise significant influence over corporate decisions and control over us, including the election or removal of our Directors, declaration of dividends and determination of other matters to be decided by our shareholders. Thus, our Promoter may influence aspects of our business such as management decisions on strategy and operations by delaying, deferring or causing a change of our control or our capital structure, or by delaying, deferring or causing a merger, a consolidation, a takeover or other business combination involving us, or by discouraging or encouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. The interests of our Promoter may be different from the interests of our other investors, and you may not agree with actions the Promoter may take.

70. ***An active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

Prior to this Issue, there has been no public market for the Equity Shares. An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company in consultation with the BRLMs will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate, economic conditions of India and volatility of the BSE, NSE and securities markets elsewhere in the world.

71. ***There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.***

In accordance with Indian law and practice, permission to list the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorising the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

In addition, pursuant to India regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors' book entry or dematerialized electronic accounts with depository participants in India are expected to be credited only after the date on which the issue and allotment is approved by our Board of Directors. There can be no assurance that the Equity Shares allocated earlier to Investors will be credited to their dematerialized electronic accounts, or that trading will commence on time after Allotment has been approved by our Board of Directors, or at all.

72. ***The requirements of being a listed company may strain our resources.***

We have no experience as a publicly listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a publicly listed company. As a publicly listed company, we will incur significant legal, accounting, corporate governance and other expenses that we do not incur as a private company. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. In addition, we will need to hire additional legal and accounting staff with appropriate public company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

73. ***Conditions in and the volatility of the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have often experienced periods of significant volatility, with the BSE index declining by 10.16% to 9,826.91 points (the intra-day low on May 22, 2006). The BSE index also fell by 453.36 points or 3.49% to 12,529.62 points on March 14, 2007. Moreover, the BSE index fell from a close of 20,873.33 points on January 8, 2008 to a close of 8,509.56 points on October 27, 2008, a fall of approximately 59.23%. Trading was also halted on the NSE and BSE on May 18, 2009 as the BSE Sensex rose by 17.34% after the announcement of India's parliamentary results. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of securities, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

74. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

    Following the Issue, we will be subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

    The stock exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

75. ***Substantial future sales of our Equity Shares in the public market could cause our Equity Share price to fall.***

    We will have [●] Equity Shares outstanding upon completion of this Issue. The Equity Shares offered in this Issue will be freely tradable without restriction in the public market, unless purchased by our affiliates. The holders of approximately [●] Equity Shares will be entitled to dispose of their Equity Shares following the expiration of a one year 'lock-in' period. Sales of a large number of our Equity Shares by our shareholders could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such sales might occur could also adversely affect the trading price of our Equity Shares.

76. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Company may adversely affect the trading price of the Equity Shares.***

    Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company and may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances might occur could also affect the trading price of our Equity Shares.

77. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

    The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends.

Prominent Notes:

- The net asset value per Equity Share was Rs. 62.64 on a restated consolidated basis and Rs. 75.35 on a restated standalone basis as at September 30, 2009, as per our "Financial Information" on page F-1.

- The net worth of the Company was Rs. 2,747.80 million on a restated consolidated basis and Rs. 2763.80 million on a restated standalone basis as at September 30, 2009, as per our "Financial Information" on page F-1.

- The average cost of acquisition of our Company's Equity Shares by the Promoter, Sumanth Paturu, is Rs. 9.94 per Equity Share. The average cost of acquisition of Equity Shares by the Promoter has been calculated by taking the average of the amount paid by him to acquire the Equity Shares issued by us.

- For details of the Group Entities having business interests or other interests in the Issuer see "Our Promoter and Group Entities" on page 136 and "Related Party Transactions" on page 140.

- For details of transactions by the Issuer with Subsidiary companies or Group Entities during the last year, see our "Financial Information" on page 153 and "Related Party Transactions" on page 140.

- There are no financing arrangements whereby the Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing the Draft Red Herring Prospectus.

- Our Promoter and certain of our Directors are interested in our Company by virtue of their shareholding in our Company. See "Capital Structure", "Our Management" and "Our Promoter and Group Companies" on page 28, page 123 and page 136, respectively.

- Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.

- Our Company was incorporated as Advanced Radio Masts Private Limited, on January 30, 1989, under the Companies Act, 1956. For details of changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 111 of this Draft Red Herring Prospectus.

Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

We operate in the power, telecom, and water and waste management sectors. Our power vertical includes solar energy and our telecom vertical includes supplies made to the defence sector.

The power and distribution sector in India is largely owned by the electricity boards of various State Governments. An initiative such as the "power for all" contemplates a National Grid including interstate connections, technology upgradation and optimization of transmission cost. The Ministry of Power plans to establish an integrated National Power Grid in the country by 2012 with close to 200,000 MW generation capacities and 37,700 MW of inter-regional power transfer capacity. Regulatory changes pursuant to the Electricity Act, 2003 have provided for competition in the power transmission sector and provided for the grant of transmission licenses by the Central Electricity Regulatory Commission (CERC) as well as State Electricity Regulatory Commissions (SERCs). Our infrastructure solutions in the power transmission lines and power distribution sector are largely dependent on development, demand and new investments in power generation, transmission and distribution sectors

The Telecom Sector in India has shown significant levels of growth during the last decade propelled largely by unprecedented demand for mobile telephony. According to the 2009-10 Annual Report of the Department of Telecommunications, India has the second largest telecom network and the second largest wireless network in the world. The National Telecom Policy, 1999 has provided that the resources for meeting the Universal Service Obligation (USO) would be raised through a 'Universal Access Levy' (UAL), which would be a percentage of the revenue earned by the operators under various licenses and the demand for our infrastructure solutions in the active and passive telecommunications infrastructure sector is largely dependent on the development of telecommunication networks in India.

Traditionally, water utilities in India are government owned and controlled, but due to the capital intensive nature of the industry, along with the lack of investment, coupled with inadequate funding sources, private participation in the water and waste water sector is increasing. Our EPC Services in the water and waste water management sector are largely dependent on the demand for water and waste water treatment projects and the growth of the sector.

Approximately 40% of India's defence budget is related to capital expenditure which is currently driven by equipment modernisation programmes. India currently procures approximately 70% of its equipment needs from abroad, but the aim of the Government is to reverse this balance and manufacture 70% or more of its defence equipment needs in India. Our growth in the defence sector will largely depend on demands for defence telecommunication products and technologies by the Government.

Demand for our solar photovoltaic modules (**"SPV"**) and a turnkey solar energy solution is dependent on the demand for them arising out of new solar power installations. India receives solar energy equivalent to over 5,000 trillion kWh per year. The daily average solar energy incident varies from four to seven kWh per square meter depending upon the location. The annual average global solar radiation on horizontal surface, incident over India is about 5.5 kWh per square meter per day. (*Source: http://mnes.nic.in/spv-intro.htm accessed on March 20, 2010*.)

SUMMARY OF BUSINESS

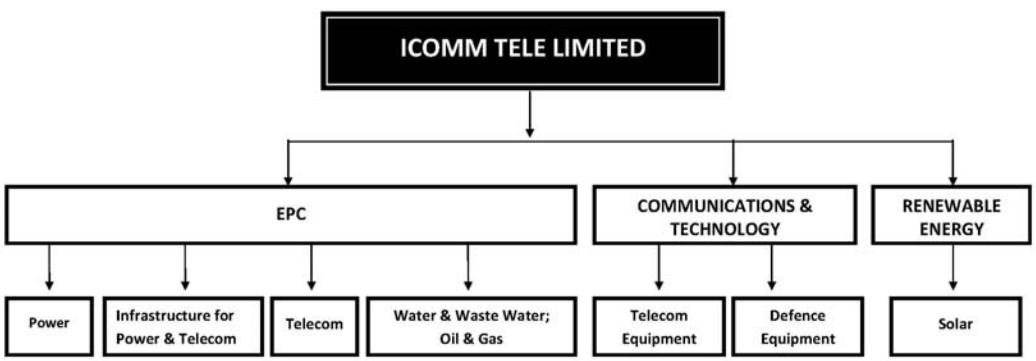
Overview

We are primarily an engineering, procurement and construction ("EPC") company which is dedicated to providing comprehensive infrastructure solutions, primarily in the telecom, power and water and waste water sectors. We believe we distinguish ourselves by having state-of-the-art manufacturing facilities and a dedicated R&D department committed to providing innovative solutions to our clients. We started our operations in 1989 and have over two decades of experience in providing integrated design, manufacturing, testing, installation and commissioning services of telecom infrastructure to telecom operators and over a decade of experience in constructing power transmission lines and distribution networks on the same basis. In 2008, we diversified our EPC business into the water and waste water sector and have starting bidding for EPC contracts in the oil and gas sector. We have completed EPC projects in various states across India and in ten other countries in Asia, the Middle East and Africa.

Since our incorporation, we have been designing, developing, manufacturing, installing and commissioning communications equipment for telecom operators and as a result of our increased focus on our R&D, we expanded to do this for India's defence sector. In 2007, we began manufacturing solar photovoltaic modules and providing turnkey solar energy solutions.

We are headquartered in Hyderabad, India and have offices in Sri Lanka and Nepal. Additionally, we lease 85 properties (excluding our registered office and our manufacturing facilities) over 18 states in India which we utilise for our offices, guest houses and stores under different lease deeds/rental arrangements. We own and operate one manufacturing facility in Hyderabad which is spread across 80 acres, and three other manufacturing facilities in India spread across 15 acres cumulatively, where we manufacture products for the power transmission and distribution, telecom, defence and solar sectors. As at February 28, 2010, we employed 1,929 full-time employees at our various locations.

Our operations are organized into three business divisions: EPC, Communications and Technology and Renewable Energy. The chart below summarises our business:



As at February 28, 2010, our firm order book (backlog) was Rs. 16,144.59 million, the breakdown of which is as follows:

Business Segment	Order Book (Rs. in million)
EPC:	
Power	6,319.13
Infrastructure for Power & Telecom	4,900.65
Telecom	207.11
Water & Waste Water	3,901.56

Business Segment	Order Book (Rs. in million)
Communications & Technology	693.04
Renewable Energy	123.10

In addition, since February 28, 2010, we have been awarded three transaction contracts where our scope is to supply towers and cumulative value of the same is Rs. 2,107.00 million.

Apart from the orders mentioned above, we have also received Advance Purchase Orders from BSNL for WiMax equipments with an outstanding value of Rs. 4,940.13 million.

EPC

We have four EPC segments: Power, Infrastructure for Power & Telecom, Telecom and Other (Water & Waste Water and Oil & Gas).

EPC Power

Our EPC Power segment has two sub-segments: EPC power transmission and EPC power distribution.

In our EPC power transmission business, we currently design, engineer and procure the materials for the construction of up to 765kV power transmission lines. We have the ability to design, engineer and construct transmission lines for up to 1,200kV and substations up to 765kV. Our EPC power transmission solutions and services range from soil and topography surveys, to planning, designing and engineering and execution of transmission lines and project management and support. We are currently undertaking work on projects totaling approximately 680 kms of power transmission lines of 220kV/400kV/765kV in India and Nepal, which includes 165 kms of transmission lines of 400kV for the A1-Mundra-Surajbari section of the Mundra-Limbdi transmission line project, 148 kms of transmission lines of 400kV D/C (triple Bundle) for the Surajbari-Limbdi section of the Mundra-Limbdi transmission line, 165 kms of transmission lines of 400KV D/C (Triple Snowbird) for the Mundra-Surajbari part of the Mundra-Jetpur Transmission Line under the Transmission system associated with Mundra UMPP (Scheme-1) in the State of Gujarat, 130 kms of transmission lines of 765kV for the Sasan-Silwar part of the Sasan - Satna Transmission Line project in the State of Madhya Pradesh and 72 kms of transmission lines of 220kV for the Hetauda-Bharatpur project in the country of Nepal. We believe the award of these projects to us has enhanced our reputation as a significant player in the power transmission sector. Our EPC power transmission business segment's major customers include: Power Grid Corporation of India Limited ("PGCIL"); Nepal Electricity Authority and certain state electricity boards.

In our EPC power distribution business we design, engineer and procure the materials for and construct electricity distribution networks. We have constructed 33/11kV substations, converted low tension networks into high voltage distribution systems, constructed high tension and low tension lines, erected poles and provided electricity service connections in villages. We have been awarded 19 contracts in connection with the electrification of more than 21,000 villages, out of which we have completed the work for 5,273 villages. As at February 28, 2010, we had constructed 2,644 km of low tension lines and installed 23,744 transformers of 16/25Kva. Our EPC power distribution business segment's major customers include PGCIL and Southern Power Distribution Company of A.P. Limited ("APSPDCL").

EPC Infrastructure for Power & Telecom

We design, engineer and manufacture power transmission towers, telecom towers, shelters for defence and telecom applications and custom-designed special steel structures, including wind mill towers, television and radio towers. We manufacture these towers at our ISO 9001:2000 certified facility in Hyderabad, which has an annual production capacity of 250,000 MTs (*Source: Acknowledgement, dated March 23, 2010, from the Secretariat for Industrial Assistance, Public Relation & Compliance Section, Ministry of Commerce & Industry, Government of India*). As at February 28, 2010, we had delivered approximately 365,575 MTs of tower supplies and were engaged to manufacture approximately 100,000 MTs of tower supplies for power transmission and telecom projects. We also manufacture associated steel line items and transformers of different voltage rating including 10kVA, 16kVA and 25kVA for our EPC power distribution projects. As at February 28, 2010, we had manufactured and supplied approximately 23,500 of 16/25Kva transformers. Our manufacturing facility at Hyderabad produces conductors for power transmission lines and distribution lines. We also manufacture Aerial Bunch cables in the same facility.

Through our supply agreements with Isitva Steel Private Limited, a Group Company, for mild steel and high tensile angles, and Isitva Fasteners Private Limited, a Group Company, for fasteners (nuts and bolts), both of which expire on March 31, 2012, we have effective backward integration for the production of power transmission towers and telecom towers as both of these companies have agreed to offer us the right of first refusal to purchase all of their production on a most favoured customer basis.

Our major customers for our infrastructure for power and telecom business include: PGCIL; Bharat Sanchar Nigam Limited ("BSNL"); Aircel Limited; Vodafone Essar Limited; Quippo Telecom Infrastructure Limited; and Emerson Network Power Limited. We have also supplied telecom towers and shelters to telecom operators in the Middle East and Africa. Our major customers for shelters are telecom operators (including BSNL, Vodafone Essar Limited, India Telecom Infra Limited, Indus Towers Limited, Bharti Infratel Limited, Hayat Communications Co., KSC India Equipments Limited and Kuwait Network Electronic Technology Co. W.L.L (Knetco)) and a Ministry of Defence company. Most of the production by our EPC infrastructure for power and telecom business is used in projects undertaken by our EPC power business and EPC telecom business.

EPC Telecom

We provide passive telecom turnkey solutions for fixed, mobile and data telecom operators. We provide EPC services for base transceiver station sites on a turnkey basis, which includes the designing, engineering, procurement and erection of telecom towers, telecom shelters and related passive equipment, such as diesel generator sets, switch mode power supplies, batteries and air conditioners. We also provide operation and maintenance services for base transceiver station sites. We lease 85 properties (excluding our registered office and our manufacturing facilities) over 18 states in India which we utilise for our offices, guest houses and stores under different lease deeds/rental arrangements and employ approximately 90 service engineers (as at February 28, 2010). We also have an office for this business in Sri Lanka and in Nepal. Our major customers for this business are Aircel Limited, Bharti Infratel Limited, Indus Towers Limited and ZTE Telecom India Private Limited.

EPC Water and Waste Water

In our EPC water and waste water business we lay water pipelines for the supply of drinking water and industrial water and construct underground drainage systems, sewage treatment plants and water transmission and distribution systems. We have an ability to offer services in planning, designing and constructing of water treatment plants, water transmission and distribution systems, elevated reservoirs and ground level service reservoirs, sewage treatment plants and underground drainages. Our major customers for our EPC water and waste water business include certain state water supply and sewerage boards.

EPC Oil and Gas

We have begun to bid for EPC contracts in the oil and gas sectors, and we currently have two tenders being considered by potential clients, including for Indian Oil Corporation Limited (Pipe Lines Division). Our plan is to focus on constructing cross-country underground pipelines for the transportation of oil and natural gas, for refineries, petrochemicals and chemical plants on a turnkey basis. We have entered into a Memorandum of Understanding with JSC Podvodtruboprovodstroy, a Russian company ("PTPS"), to jointly pre-qualify, tender and implement projects for the bid invited by Indian Oil Corporation Limited (Pipe Lines Division) to lay a cross country petroleum product pipeline from Viramgam to Churwa. Pursuant to this agreement, PTPS will provide all technical qualification documents for tendering and special services, and we will be responsible for execution of the project, including procuring the required equipment and manpower. If we win this contract all profit from this project will accrue to us, but we will indemnify PTPS for any loss or liability.

Communications and Technology

Our communications and technology division has two sub-segments: telecom equipment and defence equipment.

Telecom Equipment

We provide telecom equipment on a turnkey basis such as WiMax equipment, managed leased line network equipment, CDMA equipment and lawful interception equipment. We also supply other active telecom equipment such as CDMA phones, SDH equipment, Gigabit Ethernet passive optical network ("GEPON") equipment, solid state power amplifiers equipment and antennas. Our telecom equipment business is driven by contracts awarded by BSNL and Mahanagar Telephone Nigam Limited ("MTNL"), who are our major customers. We generally import telecom equipment in parts from suppliers such as Aviat Networks, Verint Systems Inc., ST Electronics (Satcom and Sensor Systems) Pte. Limited and UTStarcom India Telecom Pvt. Ltd. and assemble it with locally procured accessories and/or items produced in-house at our manufacturing facilities in Hyderabad, Andhra Pradesh and Yanam, Puducherry. We believe our value addition plays a critical role in winning contracts from BSNL and MTNL, as both have elaborate and stringent product evaluation and acceptance procedures and we possess the required infrastructure and skilled personnel to address these requirements. We also provide long term post-sales service support for our products.

Defence Equipment

We design, develop, prototype, test and manufacture a suite of telecom equipment and electronics for India's defence sector, including: frequency hopping point to point and point to multi-point radios. We are a registered vendor with eight laboratories of Defence Research and Development Organization ("DRDO") and four public sector undertakings associated with the Ministry of Defence, Government of India ("MoD"). We have received numerous awards and acknowledgements such as the "Excellence in Aerospace Indigenisation 2008" award from the Society of Indian Aerospace Technologies and Industries in February 2009 and Appreciation from Brahmos Aerospace in July 2007 for our significant contribution in meeting the target for handing over of the Brahmos Missile System to the Indian Army.

Renewable Energy

We manufacture solar photovoltaic modules and solar photovoltaic systems for cellular and fixed operators and other private sector and public utility customers. We offer solar energy products ranging from portable lighting systems, indoor home lighting systems and LED street lighting systems and have the ability to produce standalone power plants (up to 100kW) and grid interactive power plants (ranging from 10kW to 20MW). Our major customers for this business include BSNL, Non–Conventional Energy Development Corporation of Andhra Pradesh Limited and certain state nodal agencies.

For the 15 months ended September 30, 2009, our consolidated total income, as restated, was Rs. 9,015.12 million and our consolidated net profit attributable to shareholders, as restated, was Rs. 269.99 million.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated financial statements as of and for 15 months ended September 30, 2009 and Fiscal Years 2008, 2007, 2006 and 2005. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and presented under "Financial Statements" on page F-1 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements, the notes thereto and "Management's Discussion and Analysis of Standalone Financial Condition and Results of Operations" on pages F-1 and 154 of this Draft Red Herring Prospectus.

Standalone Restated Summary of Assets and Liabilities

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
A. Fixed Assets					
Gross Block	1,573.37	1,272.16	1,050.00	1,443.30	1,299.60
Less: Accumulated Depreciation/Amortisation	495.15	393.00	337.38	709.38	641.39
Net Block	1,078.22	879.16	712.62	733.92	658.21
Less: Revaluation Reserve	84.28	84.28	84.28	84.28	84.28
Net Block After Adjustment of Revaluation Reserve	993.94	794.88	628.34	649.64	573.93
Capital Work-in-Progress	22.93	74.85	60.46	91.68	32.61
Total	**1,016.87**	**869.73**	**688.80**	**741.32**	**606.54**
B. Investments	**12.53**	**10.03**	**-**	**-**	**-**
C. Deferred Tax Asset (Net)	**99.70**	**83.80**	**100.96**	**80.68**	**73.49**
D. Current Assets, Loans and Advances					
Inventories	1,041.63	691.09	734.22	787.55	205.52
Sundry Debtors	6,321.78	6,177.36	3,374.10	2,023.59	1,366.99
Cash and Bank balances	651.00	377.35	260.62	169.56	124.33
Other Current Assets	431.54	142.07	56.91	575.95	434.28
Loans and Advances	2,852.99	2,041.77	627.44	341.93	222.60
Total	**11,298.94**	**9,429.64**	**5,053.29**	**3,898.58**	**2,353.72**
E. Total Assets (A + B + C + D)	**12,428.04**	**10,393.20**	**5,843.05**	**4,720.58**	**3,033.75**
F. Liabilities and Provisions					
Secured Loans	2,802.56	1,701.82	1,043.15	662.12	328.20
Unsecured Loans	1,548.71	478.91	331.79	381.35	484.53
Total	**4,351.27**	**2,180.73**	**1,374.94**	**1,043.47**	**812.73**
G. Current Liabilities and Provisions					
Current Liabilities	4,682.72	5,034.50	3,185.24	2,787.12	1,550.64
Provisions	630.25	672.96	202.63	94.29	38.47
Total	**5,312.97**	**5,707.46**	**3,387.87**	**2,881.41**	**1,589.11**
H. Total Liabilities and Provisions (F + G)	**9,664.24**	**7,888.19**	**4,762.81**	**3,924.88**	**2,401.84**
I. Net Worth (E - H)	**2,763.80**	**2,505.01**	**1,080.24**	**795.70**	**631.91**

Standalone Restated Summary of Assets and Liabilities (continued)

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
Represented by					
Shareholders' Fund					
Equity Share Capital	357.50	357.50	217.50	217.50	217.50
Convertible Cumulative Participatory Preference Shares	70.00	70.00	-	-	-
Reserves and Surplus	2,420.65	2,161.98	947.34	663.70	501.38
Less: Revaluation Reserve	84.28	84.28	84.28	84.28	84.28
Reserves and Surplus (net of Revaluation Reserve)	**2,336.37**	**2,077.70**	**863.06**	**579.42**	**417.10**
Less: Miscellaneous expenditure not written off	0.07	0.19	0.32	1.22	2.69
Net Worth	**2,763.80**	**2,505.01**	**1,080.24**	**795.70**	**631.91**

Standalone Restated Summary of Profit and Loss

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
INCOME					
Sales					
Sale of Manufactured Goods	3,148.53	6,103.85	5,436.28	3,092.01	2,977.00
Trade Sales	146.42	55.17	-	-	-
Contract and Service Income	5,720.17	4,480.54	2,085.02	517.60	147.17
Total Sales	**9,015.12**	**10,639.56**	**7,521.30**	**3,609.61**	**3,124.17**
Other Income	92.16	52.50	81.99	58.39	129.33
Total Income	**9,107.28**	**10,692.06**	**7,603.29**	**3,668.00**	**3,253.50**
Expenditure					
(Increase)/Decrease in Finished Goods and Work in Process	(327.05)	147.05	55.64	(281.04)	45.29
Raw Material Consumed	5,815.48	7,158.61	5,481.97	2,802.78	2,309.72
Manufacturing and Other expenses	1,865.57	1,446.57	1,099.50	652.09	437.13
Payments and Benefits to Employees	400.09	216.41	148.19	109.02	79.56
Total Expenditure	**7,754.09**	**8,968.64**	**6,785.30**	**3,282.85**	**2,871.70**
Profit Before Interest, Depreciation and Tax	**1,353.19**	**1,723.42**	**817.99**	**385.15**	**381.80**
Interest and Finance Cost	862.59	406.92	268.84	137.09	81.84
Profit Before Depreciation and Tax	**490.60**	**1,316.50**	**549.15**	**248.06**	**299.96**
Depreciation/ Amortisation	108.34	55.46	54.97	70.32	86.08
Profit Before Tax and restatement	**382.26**	**1,261.04**	**494.18**	**177.74**	**213.88**
Adjustments on account of restatement					
Depreciation	(0.21)	(0.17)	(0.17)	(0.17)	(0.17)
Others	(2.96)	(11.83)	(71.71)	11.30	1.88
Profit before Tax, Exceptional Items and after Restatement	**379.09**	**1,249.04**	**422.30**	**188.87**	**215.59**
Exceptional items	-	-	14.48	32.91	41.85
Profit before Tax, and after Exceptional Items and Restatement	**379.09**	**1,249.04**	**436.78**	**221.78**	**257.44**

Standalone Restated Summary of Profit and Loss (continued)

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
Tax expense	**112.26**	**490.19**	**176.39**	**69.09**	**43.23**
Effect on Tax due to Restatement	(1.08)	(4.08)	(24.44)	3.75	0.58
Restatements relating to Tax expense	7.82	6.71	(0.73)	(13.80)	-
Tax expense Restated	**119.00**	**492.82**	**151.22**	**59.04**	**43.81**
Profit After Tax , Exceptional Items and Restatement	**260.09**	**756.22**	**285.56**	**162.74**	**213.63**
Balance brought forward from Previous Year as restated	**855.21**	**565.77**	**280.21**	**117.47**	**(96.16)**
Profits available for appropriation	**1,115.30**	**1,321.99**	**565.77**	**280.21**	**117.47**
Appropriations					
Towards Dividend	0.88	142.55	-	-	-
Towards Tax on Dividend	0.15	24.23	-	-	-
Transferred to General Reserve	-	300.00	-	-	-
Total Appropriations	**1.03**	**466.78**	**-**	**-**	**-**
Balance carried to Balance Sheet	**1,114.27**	**855.21**	**565.77**	**280.21**	**117.47**

Standalone Cash Flow Statement as restated

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
A. Cash flow from Operating Activities :					
Net Profit Before Tax and Exceptional items as Restated	379.09	1,249.04	422.30	188.87	215.59
Adjustments for :					
Non Cash and Non Operating items	1,021.33	501.24	468.63	244.83	177.66
Operating Cash flow before Working Capital changes	**1,400.42**	**1,750.28**	**890.93**	**433.70**	**393.25**
Adjustments for:					
Trade and Other Receivables	(1,222.80)	(4,308.79)	(1,155.59)	(935.67)	(715.00)
Inventories	(350.54)	43.13	53.33	(582.03)	92.08
Trade Payables and Other Liabilities	(433.48)	1,809.56	(52.94)	1,206.15	(119.18)
Cash (used in) / generated from Operations	**(606.40)**	**(705.82)**	**(264.27)**	**122.15**	**(348.85)**
Direct Taxes Paid	(155.04)	(44.45)	(98.87)	(25.09)	(19.99)
Exceptional items	**-**	**-**	**14.48**	**32.91**	**41.85**
Net Cash (used in) / from Operating activities	**(761.44)**	**(750.27)**	**(348.66)**	**129.97**	**(326.99)**
B. Cash flow from Investing Activities:					
Purchase of Fixed Assets	(256.05)	(237.10)	(193.08)	(231.24)	(114.79)
Sale of Fixed Assets	0.22	1.73	327.00	25.14	48.36
Inter corporate deposits realised	-	-	-	-	195.03
Sale of Investments	-	-	-	-	0.25
Interest earned on Inter Corporate Deposits	-	-	-	-	15.28
Investment in Subsidiary Company	(42.95)	(10.03)	-	-	-
Net Cash (used in) / from Investing activities	**(298.78)**	**(245.40)**	**133.92**	**(206.10)**	**144.13**

Standalone Cash Flow Statement as restated (continued)

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
C. Cash flow from Financing Activities :					
Interest and Financing charges paid	(827.24)	(406.92)	(268.84)	(137.09)	(81.85)
Interest received on deposits with banks and other deposits	25.91	20.46	27.49	4.62	9.14
Proceeds from Issue of Share Capital	-	210.00	-	-	-
Securities premium received	-	625.62	-	-	-
Dividend paid	-	(142.55)	-	-	-
Loans from bank (Net)	1,951.75	104.71	383.86	334.22	119.46
Other Loans taken / (repaid)	184.78	699.93	166.12	(80.09)	160.02
Hire Purchase Loan taken / (repaid)	(1.33)	1.15	(2.83)	(0.30)	6.26
Net Cash from Financing activities	**1,333.87**	**1,112.40**	**305.80**	**121.36**	**213.03**
Net Increase in Cash and Cash equivalents (A+B+C)	273.65	116.73	91.06	45.23	30.17
Cash and Cash equivalents at the beginning of the period / year	377.35	260.62	169.56	124.33	94.16
Cash and Cash equivalents as at end of the period / year	**651.00**	**377.35**	**260.62**	**169.56**	**124.33**

Consolidated Restated Summary of Assets and Liabilities

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
A. Fixed Assets		
Gross Block	1,608.59	1,272.84
Less: Accumulated Depreciation/Amortisation	495.55	393.08
Net Block	1,113.04	879.76
Less: Revaluation Reserve	84.28	84.28
Net Block After Adjustment of Revaluation Reserve	1,028.76	795.48
Capital Work-in-Progress	72.50	74.85
Total	**1,101.26**	**870.33**
B. Investments	**-**	**-**
C. Deferred Tax Asset (Net)	**99.70**	**83.80**
D. Current Assets, Loans and Advances		
Inventories	1,042.54	691.09
Sundry Debtors	6,334.14	6,181.73
Cash and Bank balances	653.11	389.37
Other Current Assets	431.54	142.07
Loans and Advances	2,765.05	2,039.74
Total	**11,226.38**	**9,444.00**
E. Total Assets (A + B + C + D)	**12,427.34**	**10,398.13**
F. Liabilities and Provisions		
Secured Loans	2,804.65	1,701.82
Unsecured Loans	1,548.71	478.91
Total	**4,353.36**	**2,180.73**
G. Current Liabilities and Provisions		
Current Liabilities	4,695.88	5,040.18
Provisions	630.3	672.96
Total	**5,326.18**	**5,713.14**
H. Total Liabilities and Provisions (F + G)	**9,679.54**	**7,893.87**
I. Net Worth (E - H)	**2,747.80**	**2,504.26**

Consolidated Restated Summary of Assets and Liabilities (continued)

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
Represented by		
Shareholders' Fund		
Equity Share Capital	357.5	357.5
Convertible Cumulative Participatory Preference Shares	70	70
Reserves and Surplus	2,411.87	2,161.23
Less: Revaluation Reserve	84.28	84.28
Reserves and Surplus (net of Revaluation Reserve)	**2,327.59**	**2,076.95**
Less: Miscellaneous expenditure not written off	7.29	0.19
Net Worth	**2,747.80**	**2,504.26**

Consolidated Restated Summary of Profit and Loss

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
INCOME		
Sales		
Sale of Manufactured Goods	3,148.53	6,103.85
Trade Sales	146.42	55.17
Contract and Service Income	5,745.84	4,497.07
Total Sales	**9,040.79**	**10,656.09**
Other Income	92.68	52.50
Total Income	**9,133.47**	**10,708.59**
Expenditure		
(Increase)/Decrease in Finished Goods and Work in Process	(327.05)	147.05
Raw Material Consumed	5,835.12	7,167.97
Manufacturing and Other expenses	1,873.31	1,451.91
Payments and Benefits to Employees	406.59	219.39
Total Expenditure	**7,787.97**	**8,986.32**
Profit Before Interest, Depreciation and Tax	**1,345.50**	**1,722.27**
Interest and Finance Cost	863.11	407.20
Profit Before Depreciation and Tax	**482.39**	**1,315.07**
Depreciation/ Amortisation	108.64	55.54
Profit Before Tax and restatement	**373.75**	**1,259.53**
Adjustments on account of restatement		
Depreciation	(0.21)	(0.17)
Others	(2.96)	(11.83)
Profit before Tax and after Restatement	**370.58**	**1,247.53**
Tax expense	**112.37**	**490.19**
Effect on Tax due to Restatement	(1.08)	(4.08)
Restatements relating to Tax expense	7.82	6.71
Tax expense Restated	**119.11**	**492.82**

Consolidated Restated Summary of Profit and Loss (continued)

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
Profit After Tax and Restatement	**251.47**	**754.71**
Balance brought forward from Previous Year as restated	**853.70**	**565.77**
Profits available for appropriation	**1,105.17**	**1,320.48**
Appropriations		
Towards Dividend	0.88	142.55
Towards Tax on Dividend	0.15	24.23
Transferred to General Reserve	-	300.00
Total Appropriations	**1.03**	**466.78**
Balance carried to Balance Sheet	**1,104.14**	**853.70**

Consolidated Cash Flow Statement as restated

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
A. Cash flow from Operating Activities :		
Net Profit Before Tax as restated	370.58	1,247.53
Adjustments for :		
Non Cash and Non Operating Items	1,021.74	501.61
Operating Cash flow before Working Capital changes	**1,392.32**	**1,749.14**
Adjustments for:		
Trade and Other Receivables	(1,185.06)	(4,310.38)
Inventories	(351.45)	43.13
Trade Payables and Other Liabilities	(426.31)	1,815.24
Cash used in Operations	**(570.50)**	**(702.87)**
Direct Taxes Paid	(155.15)	(44.45)
Net Cash used in Operating activities	**(725.65)**	**(747.32)**
B. Cash flow from Investing Activities :		
Capital expenditure including advances paid for Purchase of assets	(340.14)	(237.78)
Sale of Fixed Assets	0.22	1.73
Preliminary and Pre-operative expenses incurred during the period	(7.19)	-
Net Cash used in Investing activities	**(347.11)**	**(236.05)**

Consolidated Cash Flow Statement as restated (continued)

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
C. Cash flow from Financing Activities :		
Interest and Financing charges paid	(827.76)	(407.20)
Interest received on deposits with banks and other deposits	26.43	20.46
Proceeds from Issue of Share Capital	-	210.00
Share premium received	-	625.62
Dividend paid	-	(142.55)
Loans from bank (Net)	1,953.84	104.71
Other Loans taken / (repaid)	184.78	699.93
Hire Purchase Loan taken / (repaid)	(1.33)	1.15
Net Cash from Financing activities	**1,335.96**	**1,112.12**
Net Increase in Cash and Cash equivalents (A+B+C)	**263.20**	**128.75**
Cash and Cash equivalents at the beginning of the period / year	**389.37**	**260.62**
Exchange difference on translation of foreign currency Cash and Cash equivalents	0.54	-
Cash and Cash equivalents as at end of the period / year	**653.11**	**389.37**

THE ISSUE

Equity Shares Offered	
Total Issue of Equity Shares[#]	Up to [●] Equity Shares
of which:	
Fresh Issue by our Company	Up to [●] Equity Shares aggregating Rs. 2,000 million
Offer for Sale by the Selling Shareholder	Up to 1,977,918 Equity Shares[*]
of which:	
A) Qualified Institutional Buyers (QIB) portion[##]	At least [●] Equity Shares
of which	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[**]	Not less than [●] Equity Shares available for allocation
C) Retail Portion[**]	Not less than [●] Equity Shares available for allocation
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	39,814,535 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	See "Objects of the Issue" on page 39 of this Draft Red Herring Prospectus. The Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except Anchor Investor Portion, if any, shall be made on a proportionate basis.

Our Company is considering a Pre-IPO Placement of up to Rs. 500 million with various investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a Issue size of 10% of the post Issue paid up capital being offered to the public.

Our Company and the Selling Shareholder may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, see "Issue Procedure" on page 217 of this Draft Red Herring Prospectus.

* *The Selling Shareholder is offering an aggregate of 1,977,918 Equity Shares, which have been held for a period of atleast one year prior to the date of filing of this Draft Red Herring Prospectus and hence, are eligible for being offered for sale in the Issue.*

** *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in QIB portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. If at least 60% of the Issue cannot be allocated to QIBs, the entire application money shall be refunded.*

GENERAL INFORMATION

Registered and Corporate Office of our Company

Third Floor, Trendset Towers
Road No. 2, Beside L.V. Prasad Eye Hospital
Banjara Hills
Hyderabad 500 034
Andhra Pradesh
Tel: (91 40) 2355 2222
Fax: (91 40) 2355 2266
Registration No.: 009561
CIN: U64203AP1989PLC009561
Website: www.icommtele.com

Address of the RoC

We are registered with the RoC situated at:
2nd Floor, CPWD Building
Kendriya Sadan
Sultan Bazar, Koti
Hyderabad 500195
Andhra Pradesh

Board of Directors of our Company

Our Board of Directors consists of:

Name	Designation
Pradeep Shankar	Non Executive Chairman and Independent Director
Sumanth Paturu	Managing Director
Mohanram Subbarao	Managing Director
Trilochan Panda	Director (Finance)
Chunduru Sambasiva Rao	Non Executive Director
Dr. Arogyaswamy Joseph Paulraj	Non Executive and Independent Director
Maj. Gen. (Retd.) Paramjit Singh Arora	Non Executive and Independent Director
Kunisetty Venkata Ramakrishna	Nominee Director
Percy Homi Italia	Non Executive and Independent Director

For further details of our Directors, see "Our Management" on page 123 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

C.S. Balachandra Sunku is our Company Secretary and Compliance Officer of our Company. His contact details are as follows:

ICOMM Tele Limited
Third Floor, Trendset Towers
Road No. 2, Beside L.V. Prasad Eye Hospital Banjara Hills
Hyderabad 500 034
Andhra Pradesh
Tel: (91 40) 2355 2222
Fax: (91 40) 2355 2266
Email: investors@icommtele.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA

process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA account number and the designated branch of the relevant SCSB where the ASBA Form was submitted by the ASBA Bidder.

Book Running Lead Managers

Edelweiss Capital Limited
14th Floor, Express Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
Email: icomm.ipo@edelcap.com
Investor Grievance Email: customerservice.mb@ edelcap.com
Website: www.edelcap.com
SEBI Registration No.: INM0000010650
Contact Person: Sumeet Lath/ Jibi Jacob

Antique Capital Markets Private Limited
6th Floor, Nirmal Building
Nariman Point
Mumbai 400 021
Tel: (91 22) 4031 3300
Fax: (91 22) 2204 0303
Email: icomm.ipo@antiquelimited.com
Investor Grievance Email:
investors@antiquelimited.com
Website: www.antiquelimited.com
SEBI Registration No.: INM000011385
Contact Person: Sandeep Sharma

Syndicate Members

Antique Stock Broking Limited
Second Floor, Nirmal Building
Nariman Point
Mumbai 400 021
Tel: (91 22) 4031 3300
Fax: (91 22) 4031 3400
Email: vrajesh@antiquelimited.com
Website: www.antiquelimited.com
Contact Person: Vrajesh Shah

[●]

Legal Advisors to the Issue

Domestic Legal Counsel to our Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.

201, Midford House
Off. M. G. Road
Bangalore 560 001
Tel.: (91 80) 2558 4870
Fax: (91 80) 2558 4266

1-10-20/2b, Fourth Floor
Pooja Edifice
Chickoti Gardens, Begumpet
Hyderabad 500 016
Tel: (91 40) 6633 6622 / 6633 7666
Fax: (91 40) 6649 2727

International Legal Counsel to the Underwriters

Dorsey & Whitney LLP

50, South Sixth Street
Suite 1500
Minneapolis
Minnesota 55402-1498
USA
Tel: (612) 340 2600
Fax: (612) 340 2868

Registrar to the Issue

Karvy Computershare Private Limited
Plot No 17-24, Vithal Rao Nagar
Madhapur
Hyderabad 500 081
Tel: (91 40) 2342 0815
Fax: (91 40) 2343 1551
Email: einward.ris@karvy.com
Website: http:\\karisma.karvy.com
Contact Person: Murali Krishna
SEBI Registration No.: INR00000221

Auditors to our Company

Deloitte Haskins & Sells
Chartered Accountants
Gowra Grand, III Floor
1-8-384 & 385, Sardar Patel Road
Begumpet
Secunderabad 500 003
Tel: (91 40) 4031 2600
Fax: (91 40) 4031 2714

Nataraja Iyer & Co.
1-10-126
Ashok Nagar
Hyderabad 500 020
Tel: (91 40) 27610985
Fax: (91 40) 27610990

Bankers to the Issue and Escrow Collection Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided at www.sebi.gov.in and for details on designated branches of SCSB collecting as per Bid cum Application Form, please refer to the abovementioned link.

Bankers to the Company

Syndicate Bank
Corporate Finance Branch
Panjagutta, Hyderabad
Tel: (91 40) 2331 1374
Fax: (91 40) 2332 2060
Email: syndcorp@gmail.com
Website: www.syndicatebank.com
Contact Person: P. Raja Reddy

State Bank of India
Industrial Finance Branch
Raj Bhavan Road, Hyderabad
Tel: (91 40) 2341 2961
Fax: (91 40) 2340 3862
Email: sa.09103@sbi.co.in
Website: www.onlinesbi.com
Contact Person: G. Ramakrishna

UCO Bank
Susheeram Complex, Shanti Nagar,
Patancheru, Medak District, 502 319
Andhra Pradesh
Tel: (91 8455) 242 431
Fax: (91 8455) 242 431
Email: ucopatancheru@sancharnet.in
Website: www.ucobank.com
Contact Person: Narasimha

Corporation Bank
3-6-285, Ground Floor
Ameer Mahal Apartments
Hyderguda, Hyderabad
Tel: (91 40) 2322 5778
Fax: (91 40) 2322 7774
Email: cb276@corpbank.co.in
Website: www.corpbank.com
Contact Person: N. Vimalananda

State Bank of Indore
4-1-971/974, Triveni Complex
Abids Road, Hyderabad 500 001
Tel: (91 40) 2476 0398
Fax: (91 40) 2476 0548

Axis Bank
6-3-897/B, First Floor,
G. Pulla Reddy Building
Greenlands, Hyderabad 500 016
Tel: (91 40) 2340 0731

Email: sbn3233@sbindore.co.in
Website: www.indorebank.org
Contact Person: Pramod Bhavasar

Fax: (91 40) 2340 7184
Email: kvn.yesubabu@axisbank.com
Website: www.axisbank.com
Contact Person: K. V. N. Yesubabu

Bank of Maharashtra
Sultan Bazar Branch
4-3-379, First Floor
Bank Street, Hyderabad 500 001
Tel: (91 40) 2475 6781
Fax: (91 40) 2475 6919
Email: bom19@mahabank.co.in
Website: www.bankofmaharastra.com
Contact Person: R. H. Phadnis

Lakshmi Vilas Bank,
5-1-716/1, Bank Street
Koti, Hyderabad 500 095
Tel: (91 40) 2474 5088
Fax: (91 40) 2474 4493
Email: hyderabadmain@lvbank.in
Website: www.lvbank.com
Contact Person: Seshi Reddy

Monitoring Agency

There is no requirement for a monitoring agency, since the Issue size is less than Rs. 5,000 million.

Statement of Inter Se Allocation of Responsibilities for the Issue

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital Structuring with relative components and formalities such as composition of debt equity, type of instruments, etc.	All BRLMs	Antique
2.	Drafting and design of the offer document, including memorandum containing salient features of the offer document. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including finalisation of offer document filing.	All BRLMs	Edelweiss
3.	Drafting and approval of all statutory advertisement	All BRLMs	Edelweiss
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	All BRLMs	Antique
5.	Appointment of other intermediaries connected with the issue viz., Registrar's, Printers, Advertising Agency and Bankers to the Issue	All BRLMs	Edelweiss
6.	Preparation of Road show presentation	All BRLMs	Edelweiss
7.	International Institutional Marketing strategy * Finalise the list and division of investors for one to one meetings, in consultation with the Company, and * Finalizing the International road show schedule and investor meeting schedules - Asia - Europe - Rest of the World	All BRLMs	Edelweiss
8.	Domestic institutions / banks / mutual funds marketing strategy * Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company. * Finalizing the list and division of investors for one to one meetings, and * Finalizing investor meeting schedules	All BRLMs	Antique
9.	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres for holding conferences of stock brokers, investors, etc., (iii) collection centres, (Iv) brokers to the issue, and (v) underwriters and underwriting arrangement, distribution of publicity and issue material including application form, prospectus and brochure and deciding upon the quantum of issue material.	All BRLMs	Edelweiss

Sr. No.	Activity	Responsibility	Co-ordination
10.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	All BRLMs	Edelweiss
11.	Finalisation of Pricing, in consultation with the Company	All BRLMs	Edelweiss
12.	The post issue activities which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc.*	All BRLMs	Edelweiss

* *In case of under-subscription in the issue, the lead merchant banker responsible for underwriting arrangements shall be responsible for involving underwriting obligations and ensuring that the notice for devolvement containing the obligations of the underwriters is issued in terms of these regulations and as agreed to in the underwriting agreement.*

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

IPO Grading

This Issue has been graded by [●] as [●] indicating [●]. The rationale furnished by the IPO grading agency for its grading will be updated at the time of filing the Red Herring Prospectus with the RoC.

Experts

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith, the Company has not obtained any expert opinions.

Trustees

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

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band which will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and advertised at least two working (2) days prior to the Bid/Issue Opening Date. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;

2. The Selling Shareholder;

3. BRLMs;

4. Syndicate Member who is an intermediary registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member is appointed by the BRLMs;

5. Escrow Collection Bank(s);

6. SCSBs; and

7. Registrar to the Issue.

This being an issue for less than 25% of post issue equity capital of our Company, the SEBI Regulations read with rule 19(2) (b) of the SCRR, have permitted an issue of securities to the public through the 100% Book Building Process, wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion (excluding Anchor Investor 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 including Mutual Funds subject to valid bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% 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. We and the Selling Shareholder will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we and the Selling Shareholder have appointed the BRLMs to manage the Issue and to procure subscriptions to the Issue.

QIBs are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. For further details, see "Terms of the Issue" on page 209 of this Draft Red Herring Prospectus.

In addition, QIBs are required to pay the QIB Margin Amount, representing 10% of the Bid Amount, upon submission of their Bid. QIBs that are Anchor Investors are required to pay 25% of their Bid Amount at the time of submission of the Bid and the remaining amount within two days of the Bid/Issue Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis.

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

Illustration of Book Building Process and Price Discovery Process (*Investors should note that this example is solely for illustrative purposes and is not specific to the Issue. Also, this excludes Bidding by ASBA Bidders and for the Anchor Investor Portion*)

Bidders (excluding ASBA Bidders who can only Bid at the cut-off price) can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders out which one bidder has bid for 500 shares at Rs. 24 per share while another has bid for 1,500 shares at Rs. 22 per share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bidding period. The illustrative book given below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the company is able to offer the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. Our Company in consultation with the BRLMs will finalise the Issue Price at or below such cut off price, i.e. at or below Rs. 22. All bids at or above the Issue Price and cut off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for Bidding (see "Issue Procedure - Who Can Bid?" on page 218 of this Draft Red Herring Prospectus);

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

- Ensure that you have mentioned your PAN to the Bid Cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see "Issue Procedure" on page 217 of this Draft Red Herring Prospectus);

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

- Bids by QIBs will only have to be submitted to the BRLMs.

Withdrawal of the Issue

Our Company in consultation with the Selling Shareholder and the BRLMs, reserves the right not to proceed with the Issue. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/Issue Programme

BID/ISSUE OPENS ON	**[●], 2010***
BID/ISSUE CLOSES ON	**[●], 2010**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5 p.m**. (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

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

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

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

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) working days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

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

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, we and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered in this Issue except such Equity Shares are required to be compulsorily allotted to QIBs, under the QIB Portion. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate/Sub Syndicate Member. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Name and Contact Details of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Indicative Amount Underwritten (Rs. in million)
Edelweiss Capital Limited 14th Floor, Express Towers, Nariman Point, Mumbai 400 021 Tel: (91 22) 4086 3535 Fax: (91 22) 4086 3610 Email: icomm.ipo@edelcap.com	[●]	[●]
Antique Capital Markets Private Limited 6th Floor, Nirmal Building Nariman Point Mumbai 400 021 Tel: (91 22) 4031 3300 Fax: (91 22) 2204 0303 Email: icomm.ipo@antiquelimited.com	[●]	[●]
Antique Stock Broking Limited Second Floor, Nirmal Building Nariman Point Mumbai 400 021, India Tel: (91 22) 4031 3300 Fax: (91 22) 4031 3400	[●]	[●]

Name and Contact Details of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Indicative Amount Underwritten (Rs. in million)
Email : vrajesh@antiquelimited.com		
[●]	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalised after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has authorised the entry into the Underwriting Agreement mentioned above on behalf of the Company.

Allocation amongst Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the tabe above. Notwithstanding the above table, the Underwriters 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 defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount except where the allocation to the QIB is less than 60% of the Issue, in which case the entire subscription monies will be refunded.

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

CAPITAL STRUCTURE

Our share capital as of the date of this Draft Red Herring Prospectus is set forth below:

(Rs. in million, except share data)

		Aggregate Nominal Value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**		
	55,000,100 Equity Shares of Rs. 10 each	550.00	-
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	39,814,535 Equity Shares of Rs. 10 each	398.15	-
C)	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	[●] Equity Shares of Rs. 10 each	[●]	[●]
	Out of the above:		
	Fresh Issue		
	[●] Equity Shares of Rs. 10 each	[●]	2,000.00
	Offer for Sale		
	1,977,918 Equity Shares of Rs. 10 each	19.78	[●]
D)	**EQUITY CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of Rs. 10 each	[●]	[●]
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	951.13*	-
	After the Issue	[●]	-

* *This has been adjusted for the losses pertaining to Fiscal 2004 and issue expenses for Fiscal 2008.*

1. *The Issue in terms of this Draft Red Herring Prospectus has been authorized by our Board of Directors pursuant to a resolution dated March 15, 2010 and by the shareholders through a resolution in an EGM on March 18, 2010. The Offer for Sale has been authorized by the board of directors of the Selling Shareholder pursuant to a resolution dated March 14, 2010.*

2. *Our Company is considering a Pre-IPO Placement of up to Rs. 500 million with various investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to filing the Red Herring Prospectus with the RoC pursuant to this Issue. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid up capital being offered to the public.*

3. *Our Company will make an application to the FIPB for its approval in relation to the participation of eligible non-residents including NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions in the Issue and also for certain ex post facto approvals in relation to existing and proposed investments in the Company.*

4. *The Company has further undertaken to make applications to the Reserve Bank of India pursuant to obtaining the approval of the FIPB in relation to the Offer for Sale and in relation to certain existing and proposed investments in the Company.*

Changes in Authorised Share Capital since Incorporation:

1. The initial authorised share capital of Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each was increased to Rs. 7,500,000 divided into 750,000 Equity Shares of Rs. 10 each pursuant to resolution of shareholders passed at an EGM held on August 30, 1989.

2. The authorised share capital was further increased from Rs. 7,500,000 divided into 750,000 Equity Shares of Rs. 10 each to Rs. 30,000,000 divided into 3,000,000 Equity Shares of Rs. 10 each pursuant to resolution of shareholders passed at an AGM held on September 30, 1991.

3. The authorised share capital was further increased from Rs. 30,000,000 divided into 3,000,000 Equity Shares of Rs. 10 each to Rs. 50,000,000 divided into 5,000,000 Equity Shares of Rs. 10 each pursuant to resolution of shareholders passed at an AGM held on September 4, 1992.

4. The authorised share capital was further increased from Rs. 50,000,000 divided into 5,000,000 Equity Shares of Rs. 10 each to Rs. 60,000,000 divided into 6,000,000 Equity Shares of Rs. 10 each pursuant to resolution of shareholders passed at an AGM held on September 29, 1993.

5. The authorised share capital was further increased from Rs. 60,000,000 divided into 6,000,000 Equity Shares of Rs. 10 each to Rs. 300,000,000 divided into 30,000,000 Equity Shares of Rs. 10 each pursuant to resolution of shareholders passed at an AGM held on October 5, 1994.

6. The authorised share capital was further increased from Rs. 300,000,000 divided into 30,000,000 Equity Shares of Rs. 10 each to Rs. 370,001,000 sub-divided into (a) 30,000,000 Equity Shares of Rs. 10 each; (b) 7,000,000 CCPS and (c) 100 equity shares with differential voting rights of Rs. 10 each pursuant to resolution of shareholders passed at an EGM held on February 6, 2008.

7. The authorised share capital was further increased from Rs. 370,001,000 divided into (a) 30,000,000 Equity Shares of Rs. 10 each; (b) 7,000,000 CCPS and (c) 100 equity shares with differential voting rights of Rs. 10 each to Rs. 450,001,000 sub-divided into (a) 38,000,000 Equity Shares of Rs. 10 each; (b) 7,000,000 CCPS and (c) 100 equity shares with differential voting rights of Rs. 10 each pursuant to resolution of shareholders passed at an EGM held on March 24, 2008.

8. The authorised share capital was further increased from Rs. 450,001,000 divided into (a) 38,000,000 Equity Shares of Rs. 10 each; (b) 7,000,000 CCPS and (c) 100 equity shares with differential voting rights of Rs. 10 each to Rs. 550,001,000 sub-divided into (a) 48,000,000 Equity Shares of Rs. 10 each; (b) 7,000,000 CCPS and (c) 100 equity shares with differential voting rights of Rs. 10 each pursuant to resolution of shareholders passed at an AGM held on November 21, 2008.

9. The authorised share capital was reclassified from Rs. 550,001,000 sub-divided into (a) 48,000,000 Equity Shares of Rs. 10 each; (b) 7,000,000 CCPS and (c) 100 equity shares with differential voting rights of Rs. 10 each to Rs. 550,001,000 sub-divided into 55,000,100 Equity Shares of Rs. 10 pursuant to resolution of shareholders passed at an EGM held on March 18, 2010.

Notes to Capital Structure

1. Share Capital History of our Company

a) The following is the history of the equity share capital of our Company:

Date of allotment and when made fully paid up	Number of Equity Shares and details of allottees	Nature of Consideration	Face value (Rs.)	Issue Price (Rs.)	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs. in million)	Cumulative Share Premium (Rs.)
January 31, 1989	200 Equity Shares allotted pursuant to subscription to the Memorandum of Association	Cash	10.00	10.00	200	2,000	-
March 31, 1990	Allotment of 87,170 Equity Shares to: (i) Paturu Ramrao – 48,770 Equity Shares; (ii) Paturu Vijaya Lakshmi - 38,400 Equity Shares	Cash	10.00	10.00	87,370	873,700	-

Date of allotment and when made fully paid up	Number of Equity Shares and details of allottees	Nature of Consideration	Face value (Rs.)	Issue Price (Rs.)	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs. in million)	Cumulative Share Premium (Rs.)
September 5, 1990	Allotment of 52,500 Equity Shares to: (i) Paturu Ramrao - 26,250 Equity Shares; (ii) Paturu Vijaya Lakshmi - 26,250 Equity Shares	Cash	10.00	10.00	139,870	1,398,700	-
March 30, 1991	Allotment of 511,800 Equity Shares to: (i) Paturu Ramrao – 471,100 Equity Shares; (ii) Paturu Durga – 100 Equity Shares; (iii) K. Anjaiah – 100 Equity Shares; (iv) K. Suresh – 100 Equity Shares; (v) Paturu Viyaya Lakshmi – 39,000 Equity Shares; (vi) I. Ramesh – 100 Equity Shares; (vii) K. Koteshwara Rao – 100 Equity Shares; (viii) K. Bhaskara Rao – 100 Equity Shares; (ix) K. Murali – 100 Equity Shares; (x) M. Gopala Rao – 100 Equity Shares; (xi) K. Raghavaiah – 100 Equity Shares; (xii) U. Koteshwar Rao – 100 Equity Shares; (xiii) K. Muktheswara Rao – 100 Equity Shares; (xiv) U. Amma Rao – 100 Equity Shares; (xv) J. Balakrishna Prasad – 100 Equity Shares; (xvi) J. Bhanumati – 100 Equity Shares; (xvii) M. Srinivasa Rao – 100 Equity Shares; (xviii) Bigger HUF of Paturu Ramrao – 100 Equity Shares; (xix) Smaller HUF of Paturu Ramrao – 100 Equity Shares	Cash	10.00	10.00	651,670	6,516,700	-
March 31, 1992	Allotment of 517,884 Equity Shares to employees and certain others	Cash	10.00	10.00	1,169,554	11,695,540	-
August 7, 1992	Allotment of 191,660 Equity Shares to: (i) Paturu Ramrao – 187,200 Equity Shares; (ii) Smaller HUF of Paturu Ramrao – 4,460 Equity Shares	Cash	10.00	10.00	1,361,214	13,612,140	-
September 30, 1992	Allotment of 1,508,000 Equity Shares as bonus shares in the ratio of 9:10	-	10.00	-	2,869,214	28,692,140	-
October 5, 1993	Allotment of 2,151,910 Equity Shares as bonus shares in the ratio of 4:3	-	10.00	-	5,021,124	50,211,240	-
December 3,	Allotment of 12,552,810	-	10.00	-	17,573,934	175,739,340	-

Date of allotment and when made fully paid up	Number of Equity Shares and details of allottees	Nature of Consideration	Face value (Rs.)	Issue Price (Rs.)	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs. in million)	Cumulative Share Premium (Rs.)
1994	Equity Shares comprising of bonus shares in the ratio of 2:5						
December 3, 1994	Allotment of 276,066 Equity Shares to permanent employees	Cash	10.00	250.00	17,850,000	178,500,000	66,255,840
March 27, 1996	Allotment of 150,000 Equity Shares to employees and certain others	Cash	10.00	10.00	18,000,000	180,000,000	66,255,840
April 5, 1996	Allotment of 3,750,000 to the India Private Equity Fund Mauritius	Cash	10.00	150.00	21,750,000	217,500,000	591,255,840
February 23, 2008	Allotment of 100 investor equity shares with differential voting rights to IGF*	Cash	10.00	230.00	21,750,100	217,501,000	591,277,840
June 13, 2008	Allotment of 14,000,000 Equity Shares to Sumanth Paturu	Cash	10.00	10.00	35,750,100	357,501,000	591,277,840
March 15, 2010	Allotment of 4,064,435 Equity Shares to IGF pursuant to conversion of the CCPS	-	10.00	172.23**	39,814,535	398,145,350	1,250,633,490

* *The 100 equity shares with differential voting rights were made pari passu with the existing Equity Shares of the Company pursuant to the resolution passed by the Board of Directors on March 15, 2010.*

** *Pursuant to receipt of Rs. 100 for each CCPS from IGF on February 14, 2008, the CCPS were allotted on February 23, 2008 and were converted into Equity Shares of the Company, each at a premium of Rs. 162.23, pursuant to the resolution passed by the Board of Directors on March 15, 2010.*

The following is the history of the preference share capital of our Company:

Date of Allotment and when made fully paid up	Number of Preference Shares	Nature of Consideration	Face value (Rs.)	Issue Price (Rs.)
February 23, 2008	Allotted 70,00,000 CCPS to IGF*	Cash	10.00	100.00

* *The CCPS were converted to 4,064,435 Equity Shares of the Company pursuant to the resolution passed by the Board of Directors on March 15, 2010.*

Currently, there are no outstanding preference shares.

The following is the history of the equity shares with differential voting rights of our Company:

Date of Allotment and when made fully paid up	Number of Equity Shares	Nature of Consideration	Face value (Rs.)	Issue Price (Rs.)
February 23, 2008	Allotted 100 equity shares with differential voting rights to IGF*	Cash	10.00	230.00

* *The 100 equity shares with differential voting rights were made pari passu with the existing Equity Shares of the Company pursuant to the resolution passed by the Board of Directors on March 15, 2010.*

Other than as specified below, our Company has not issued Equity Shares or preference shares during the preceding one year from the date of this Draft Red Herring Prospectus.

Date of allotment and when made fully paid up	Number of Equity Shares and details of allottees	Nature of Consideration	Face value (Rs.)	Issue Price (Rs.)
March 15, 2010	Allotment of 4,064,435 Equity Shares to IGF pursuant to conversion of the CCPS	-	10.00	172.23*

b) The following Equity Shares were allotted for consideration other than in cash;

Date of Allotment and when made fully paid up	Number of Equity Shares	Nature of Consideration	Face value (Rs.)	Issue Price (Rs.)
September 30, 1992	Allotment of 1,508,000 Equity Shares as bonus shares in the ratio of 9:10	-	10.00	-
October 5, 1993	Allotment of 2,151,910 Equity Shares as bonus shares in the ratio of 4:3	-	10.00	-
December 3, 1994	Allotment of 12,552,810 Equity Shares comprising of bonus shares in the ratio of 2:5	-	10.00	-
March 15, 2010	Allotment of 4,064,435 Equity Shares to IGF pursuant to conversion of the CCPS	-	10.00	172.23*

* *Pursuant to receipt of Rs. 100 for each CCPS from IGF on February 14, 2008, the CCPS were allotted on February 23, 2008 and were converted into Equity Shares of the Company, each at a premium of Rs. 162.23, pursuant to the resolution passed by the Board of Directors on March 15, 2010.*

2. Promoter Contribution and Lock-in

(a) *History of Equity Shares held by the Promoter*

The Equity Shares held by the Promoter were acquired/ allotted in the following manner:

Sr. No.	Date of Allotment/ Transfer	Nature of consideration	No. of Equity Shares	Face Value	Issue/ Acquisition Price (Rs.)	Percentage of Pre-Issue Paid-up Capital	Percentage of Post-Issue Paid-up Capital
Sumanth Paturu							
1.	June 15, 1994	Cash	80,000*	10.00	25	0.20	[●]
2.	December 3, 1994	Bonus	200,000	10.00	-	0.50	[●]
3.	November 5, 2005	Cash	400#	10.00	10	0.00	[●]
4.	February 5, 2008	Cash	125,919@	10.00	10	0.32	[●]
5.	June 13, 2008	Cash	14,000,000##	10.00	10	35.16	[●]
Total			**13,179,461****			**33.10****	**[●]**

* *Transfer of 80,000 Equity Shares from Paturu Ramrao.*
\# *Transfer of 400 Equity Shares from G. Laxminarayana Yadav.*
@ *Transfer of 125,919 Equity Shares from others.*
\#\# *Allotted pursuant to conversion of warrants issued to Sumanth Paturu on June 13, 2008.*
** *Net of a gift made by Sumanth Paturu of 1,226,858 Equity Shares to Velagapudi Smitha on March 26, 2010.*

(b) *Details of Promoter contribution locked in for three years*

Pursuant to Regulations 32 and 36 of the SEBI Regulations, an aggregate of 20% of the post-Issue capital of our Company held by our Promoter shall be considered as Promoter's contribution, locked in for a period of three years from the date of Allotment under the Issue. The Equity Shares which are being locked-in are not ineligible for computation of Promoter's contribution in accordance with the provisions of the SEBI Regulations. In this connection we confirm the following:

(i) The Equity Shares offered for minimum 20% Promoter's contribution are not acquired for consideration of intangible asset or bonus shares out of revaluations reserves or reserves without accrual of cash resource or against shares which are otherwise ineligible for computation of promoter's contribution;

(ii) The minimum Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which Equity Shares are being offered;

(iii) Our Company has not been formed by the conversion of partnership firm into a company;

(iv) The Equity Shares held by the Promoter and offered for minimum 20% Promoter's contribution are not subject to pledge;

(v) The minimum Promoter's contribution does not consist of any private placement made by solicitation of subscriptions from unrelated persons either directly or through any intermediary;

(vi) The minimum Promoter's contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.

Pursuant to the SEBI Regulations, the Promoter has given an undertaking dated March 30, 2010 that an aggregate of 20% of the fully diluted post-Issue capital of the Company held by them shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue and that the Promoter's contribution shall not be disposed / sold / transferred by the Promoter during the period starting from the date of filing the Draft Red Herring Prospectus with SEBI till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus.

The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI Regulations.

The details of such lock-in are set forth in the table below:

Sr. No.	**Date of Allotment/ Transfer**	**Nature of consideration**	**No. of Equity Shares locked in**	**Face Value***	**Issue/ Acquisition Price (Rs.)**	**Percentage of Post-Issue Paid-up Capital**
Sumanth Paturu						
1.	[●]	[●]	[●]	[●]	[●]	[●]

(i) *Details of share capital locked in for one year*

In addition to 20% of the post-Issue shareholding of our Company held by the Promoter and locked in for three years as specified above and subject to the provisions of the SEBI Regulations, the entire pre-Issue share capital of our Company less (a) 6,095,817 Equity Shares held by FVCIs and VCFs which are registered with SEBI namely, Tano and IGF and (b) 1,977,918 Equity Shares held by the Selling Shareholder and which would be transferred pursuant to the Offer for Sale; will be locked in for a period of one year from the date of Allotment in this Issue, except as provided below. However, in the event that IGF transfers its Equity Shares to the ICOMM Employee Welfare Trust pursuant to an agreement dated March 15, 2010, such Equity Shares will be locked in for a period of one year.

(ii) *Lock in of Equity Shares Allotted to Anchor Investors*

Equity Shares Allotted to Anchor Investors, in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

(iii) *Other Requirements in respect of lock-in*

Under the SEBI Regulations, locked-in Equity Shares of our Company held by the Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan and the loan has been granted by such bank or financial institution for the purpose of financing one or more of the objects of the Issue.

The Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeovers Regulations, as applicable.

Equity Shares held by the Promoter which are locked in may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeovers Regulations, as applicable.

3. **Details of transactions in Equity Shares by the Promoter, Promoter Group Entities, Directors and their relatives**

The following are the Equity Shares that have been sold or purchased by the Promoter, Promoter Group Entities, Directors and their relatives during the period of six months preceding the date on which the Draft Red Herring Prospectus is filed with SEBI.

Promoter/ Promoter Group	Nature of Transaction	Date of transfer	Transferred to	Purchased from	Number of Equity Shares transferred (each of Rs. 10)	Aggregate Price
Paturu Ramrao	Gift	March 23, 2010	Paturu Vijaya Lakshmi	-	4,000,000	-
Paturu Ramrao	Gift	March 27, 2010	Paturu Vijaya Lakshmi	-	378,025	-
Paturu Ramrao	Gift	March 23, 2010	Dr. Paturu Kavita	-	181,860	-
Paturu Ramrao	Gift	March 23, 2010	Dr. Paturu Kavita	-	1,036,686	-
Paturu Ramrao	Gift	March 25, 2010	Dr. Paturu Kavita	-	3,859,379	-
Paturu Ramrao	Gift	March 25, 2010	Dr. G. Ramesh	-	1,395,323	-
Paturu Ramrao	Gift	March 25, 2010	Dr. G. Ramesh	-	47681	
Paturu Ramrao	Gift	March 27, 2010	Dr. G. Ramesh	-	1,715,645	-
Paturu Ramrao	Gift	March 27, 2010	Velagapudi Smitha	-	1,931,791	-
Sumanth Paturu	Gift	March 30, 2010	Velagapudi Smitha	-	1,226,858	-

4. **Shareholdering Pattern**

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue:

Shareholders	Pre-Issue		Post-Issue#	
	No. of Equity Shares	Percentage	No. of Equity Shares	Percentage
Promoter (A)				
Sumanth Paturu	13,179,461	33.10	[●]	[●]
Total (A)	**13,179,461**	**33.10**	**[●]**	**[●]**
Promoter Group (B)				
IVPL	1,977,918	4.96	[●]	[●]

Shareholders	Pre-Issue		Post-Issue#	
	No. of Equity Shares	Percentage	No. of Equity Shares	Percentage
Vijayalakshmi Paturu	5,972,180	15.00	[●]	[●]
Dr. Paturu Kavita	5,358,425	13.46	[●]	[●]
Velagapudi Smitha	3,158,649	7.93	[●]	[●]
Dr. G. Ramesh	3,158,649	7.93	[●]	[●]
Paturu Kanka Durga	141,000	0.35	[●]	[●]
Paturu Padma	70,900	0.18	[●]	[●]
Paturu Nivedita Rani	70,000	0.18	[●]	[●]
Paturu Vijetha	70,000	0.18	[●]	[●]
Paturu Hemanth	70,000	0.18	[●]	[●]
Paturu Neelimeghana	70,000	0.18	[●]	[●]
Paturu Nikhita	70,000	0.18	[●]	[●]
Paturu Ramrao	56,096	0.14	[●]	[●]
Total (B)	**20,243,817**	**50.85**	**[●]**	**[●]**
Total (A + B)	**33,423,278**	**83.95**	**[●]**	**[●]**
Non-Promoter Group (C)				
IGF	4,064,535*	10.21	[●]	[●]
Tano	2,031,282	5.10	[●]	[●]
Others (D)				
Individuals not forming part of the Promoter Group	295,440	0.74	[●]	[●]
Total (C+D)	**6,391,257**	**16.05**	**[●]**	**[●]**
Total Pre-Issue Share Capital (A+B+C+D)	**39,814,535**	**100.00**	**[●]**	**[●]**
Public (Pursuant to the Issue) (E)	-	-	[●]	[●]
Total Post-Issue Share Capital (A+B+C+D+E)	**-**	**-**	**[●]**	**[●]**

Assuming that the non-Promoter Group shareholders do not apply for, and are not Allotted Equity Shares in this Issue.

* *IGF has entered into an agreement dated March 15, 2010 with ICOMM Employee Welfare Trust for sale of [●] Equity Shares.*

5. Equity Shares held by top ten shareholders

(a) On the date of filing this Draft Red Herring Prospectus with SEBI:

S. No.	Shareholder	No. of Equity Shares held	Percentage
1.	Sumanth Paturu	13,179,461	33.10
2.	Vijayalakshmi Paturu	5,972,180	15.00
3.	Dr. Paturu Kavita	53,584,25	13.46
4.	IGF	4,064,535	10.21
5.	Dr. G. Ramesh	3,158,649	7.93
6.	Velagapudi Smitha	3,158,649	7.93
7.	Tano	2,031,282	5.10
8.	IVPL	1,977,918	4.96
9.	Paturu Kanka Durga	141,000	0.35
10.	Paturu Padam	70,900	0.18

(b) 10 days prior to the date of filing this Draft Red Herring Prospectus with SEBI:

S. No.	Shareholder	No. of Equity Shares held	Percentage
•	Paturu Ramrao	14,602,486	36.68
•	Sumanth Paturu	14,406,319	36.18
•	IGF	4,064,535	10.21
•	Tano	2,031,282	5.10
•	IVPL	1,977,918	4.96
•	Paturu Vijaya Lakshmi	1,594,155	4.00
•	Dr. Paturu Kavita	280,500	0.70
•	Kanakadurga Paturu	141,000	0.35
•	Padam Paturu	70,900	0.18
•	Paturu Nivedita Rani	70,000	0.18

(c) Two years prior to the date of filing this Draft Red Herring Prospectus with SEBI:

S. No.	Shareholder	No. of Equity Shares held	Percentage
1.	Paturu Ramrao	14,602,486	67.14
2.	Tano	2,031,282	9.34
3.	IVPL	1,977,918	9.09
4.	Paturu Vijaya Lakshmi	1,594,155	7.33
5.	Sumanth Paturu	406,319	1.87
6.	Dr. Paturu Kavita	280,500	0.29
7.	Kanka Durg Paturu	141,000	0.65
8.	Padam Paturu	70,900	0.33
9.	Nivedita Rani Paturu	70,000	0.32
10.	Paturu Vijetha	70,000	0.32

6. The Company, Promoter, Directors and the BRLMs have not entered into any buy back arrangements for purchase of the Equity Shares of the Company, other than the arrangements, if any, entered for safety net facility as permitted under the SEBI Regulations.

7. Except as stated in "Our Management" on page 123 of this Draft Red Herring Prospectus, none of our Directors, key management personnel, BRLMs or their associates hold any Equity Shares in our Company.

8. Except as stated above, our Promoter, Directors and our Promoter Group have not purchased or sold any Equity Shares within six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

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

10. The Promoter Group, the Directors of the Company and their relatives have not financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

11. There are no outstanding financial instruments or any other rights agreed by the Company, except certain financial covenents in some of our loan agreements, which would entitle the Promoter or shareholders or any other person any option to acquire our Equity Shares after the Issue.

12. Our Company has not raised any bridge loan against the Issue Proceeds.

13. Subject to the Pre-IPO Placement, if any, we presently do not intend to or propose to alter the capital structure by way of split or consolidation of the denomination of our Equity Shares, or issue Equity Shares on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement, within a period of six months from the Bid/Issue Opening Date, except that if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures. Further, if business needs of our Company so require, our Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six months from the Bid Opening Date or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required.

14. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

15. The Equity Shares being issued in this Issue will be fully paid up at the time of Allotment.

16. As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares are 46.

17. Oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer while finalizing the Basis of Allotment.

18. Our Company has not issued or allotted any Equity Shares in terms of scheme approved under sections 391-394 of the Companies Act. Our Company has not issued any Equity Shares out of revaluation reserves. Except as disclosed in the sections titled "Capital Structure – Notes to Capital Structure" beginning on page 29 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

19. As per the RBI regulations, OCB's are not allowed to participate in the Issue.

20. Our Company, Directors, Promoter or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.

21. The Equity Shares held by the Promoter are not subject to any pledge.

22. The Equity Shares are fillu paid up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

23. Our Promoter and members of the Promoter Group will not participate in the Issue.

24. In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the

Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of our Company, the BRLMs and the Designated Stock Exchange.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

For further details, see the section titled "Issue Structure" beginning on page 213 of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the Fresh Issue are to (a) fund our long term working capital requirements; (b) invest in capital expenditure including purchasing capital equipment for research and development for our communications and technology division, establishing a tower testing facility, automating our solar photovoltaic module assembly lines and purchasing equipment for our oil and gas division; (c) repay our long term loan; (d) fund expenditure for general corporate purposes and (e) achieve the benefits of listing on the Stock Exchanges.

The main object clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Fresh Issue.

The Issue comprises of a Fresh Issue and an Offer for Sale. The Company will not receive any proceeds from the Offer for Sale.

All the expenses associated with the Issue including underwriting and management fees, selling commissions and other expenses will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares being issued/offered in the Fresh Issue and Offer for Sale respectively. The listing fees will be paid by the Company.

We intend to utilize the proceeds of the Fresh Issue, after deducting the Company's share of the underwriting and management fees, selling commissions and other expenses associated with the Issue ("**Net Proceeds**"), which is estimated at Rs. [●]. The details of proceeds of the Fresh Issue are summarized in the following table:

(Rs. in million)

S. No.	Description	Amount
1.	Gross proceeds of the Fresh Issue	2,000
2.	Issue Expenses	[•]
3.	Net proceeds of the Fresh Issue	[•]

We intend to utilise the Net Proceeds for the following objects:

(Rs. in million)

S. No.	Project	Total fund requirement	Estimated amount to be utilized from the Net Proceeds
1.	Fund our long term working capital requirements	850.20	805.00
2.	Invest in capital equipment for our business divisions	673.43	566.32
3.	Repayment of our long term loans	220.00	220.00
4.	Fund expenditure for general corporate purposes	[●]	[●]
	Total	[●]	[●]

Year wise break up of fund utilization

The following is a year wise break up of the proposed utilization of funds.

(Rs. in million)

S. No.	Project	Total Fund Required	Estimated amount to be utilized from the Net Proceeds	Balance (to be funded from Internal Accrual)	Amount to be utilized from the Net Proceeds			
					Amount to be utilized in the Twelve Month Period ended September 30, 2010	Amount to be utilized in the Twelve Month Period ended September 30, 2011	Amount to be utilized in the Twelve Month Period ended September 30, 2012	Total
1.	Fund our long term working capital requirements	2271.33	805.00	1466.33	-	805.00	-	805.00
2.	Invest in capital equipment for our business divisions:	673.43	560.32	113.11	76.06	448.43	35.82	560.32
(i)	*Equipment for Research and Development for our communication and technology division*	96.10	96.10	-	-	60.27	35.82	96.10
(ii)	*Tower Testing Facility*	214.22	214.22	-	-	214.22	-	214.22
(iii)	*Solar Photovoltaic Cell Assembly Line*	215.59	150.00	65.59	76.06	73.94	-	150.00
(iv)	*Oil and Gas Division*	147.52	100.00	47.52	-	100.00	-	100.00
3.	Repayment of a long term loan	220.00	220.00	-	-	220.00	-	220.00
4.	Fund expenditure for general corporate purposes	[●]	[●]	[●]	[●]		[●]	[●]
5.	Issue Expenses	[●]		[●]				
	Total	[●]	2,000		[●]		[●]	[●]

Means of Finance for total fund requirements

The entire objects detailed above are intended to be funded from the Net Proceeds and internal accruals. We confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below. No order has been placed for the purchase of any of the machineries and equipments which we propose to acquire pursuant to the utilization of the Net Proceeds. Further, the Net Proceeds shall not be utilized for the purchase of any second hand machinery or equipment.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We operate in a competitive and dynamic market, and may have to revise our estimates from time to time on account of new projects that we may pursue, including any industry consolidation initiatives, such as potential acquisition opportunities. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our existing projects. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects that are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land acquisition in relation to current plans, at the discretion of the management of the Company.

The exchange rate as at March 3, 2010 released by RBI which has been taken in account for the conversion of the foreign currencies in Indian Rupees is Rs. 48.9 for 1 US$ and Rs. 62.58 for 1€.

Details of the Objects

Capital Investments into our Business Divisions

Investments into our Technology Research and Development Division

We are committed to continuing research and development and seek to constantly improve our telecommunications equipment and defense electronics products. We believe that our proposed research in these areas will enable us to continue to grow our product portfolio and effectively compete in the telecommunications equipment and defense electronics industries.

This research will require substantial investments by means of capital expenditure towards testing and development equipment including testing and measurement instruments, design tools, electronic test lab furniture and the attendant information technology infrastructure. We propose to house this equipment at our existing Research and Development facilities at Cherlapally.   .

The following are the details of our proposed expenditure in this regard:

(Rs. in million)

S. No.	Equipment	Total fund requirement	Estimated amount to be utilized from the Net Proceeds	Amount to be utilized in the Twelve Month Period ended September 30, 2011	Amount to be utilized in the Twelve Month Period ended September 30, 2012
1.	Test and Measurement Instruments, Design Tools etc.	89.56	89.56	53.73	35.82
2.	Electronics Test Laboratory Furniture	6.54	6.54	6.54	-
	Total	**96.10**	**96.10**	**60.27**	**35.82**

Details of expenditure and quotations obtained

1. Test and Measurement Instruments, Design Tools

(Rs. in million)

S. No.	Equipment	Quantity	Total Cost	Imported or Indigenous	Quote From	Quote Dated
Testing and Measurement Equipment						
1.	Network Analyzer 10MHz to 8.5GHz (with options and accessories)	1	4.60	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
2.	Vector Signal Analyzer (with options and accessories)	1	3.05	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
3.	Vector Signal Generator (with options and accessories)	1	3.14	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
4.	Noise Figure Analyzer – 10 MHz to 6.7GHz (with options and accessories)	1	3.15	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
5.	Spectrum Analyzer - 6 GHz (with options and accessories)	3	3.89	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
6.	Microwave Anlog Signal Generator - 20GHz	2	4.62	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
7.	Logic Analyser 68-channel (with options and accessories)	1	3.52	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010

S. No.	Equipment	Quantity	Total Cost	Imported or Indigenous	Quote From	Quote Dated
8.	Single Channel Power Meter (with 18GHz sensor and accessories)	1	0.48	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
9.	Digital Multimeter, 5.5 digit	2	0.10	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
10.	Hand held DMM with Freq. Counter	10	0.29	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
11.	Oscilloscope 4Ch, 500MHz	3	2.31	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
12.	Oscilloscope 4Ch, 350MHz	10	6.06	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
13.	Frequency/Arbitrary Waveform Generator 80MHz	1	0.29	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
14.	DC power supply. Triple output: 0- +25V, 0-1A; 0- -25V, 0-1A; 0- 6V, 0-5A 80W.	10	0.83	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
15.	Power Supply O/P:0-64V/0-5A	10	0.18	Indigenous	Aplab Limited	March 2, 2010
16.	Multi output 100KHz Euro SMPS O/P: ±12V/3, +5V/2.5A,-12V/0.5A	20	0.19	Indigenous	Aplab Limited	March 2, 2010
17.	Fixed output switchers 100KHz switching, Euro SMPS O/P:15V4A	10	0.075	Indigenous	Aplab Limited	March 2, 2010
18	Programmable Attn.26GHz (10dB and 1dB steps)	5	1.74	Imported	Agilent Technologies Singapore (Sales) Private Limited	March 1, 2010
	Sub Total		**38.60**			
B.	***Design Tools***					
1.	Control System and Fixed Point Toolbox	1	0.12	Indigenous	Mathworks India Private Limited	March 1, 2010
2.	Debugging SW - Codewarrior IDE	3	0.90	Imported	Avnet India Private Limited	March 1, 2010
3.	Ethernet debug cable	5	0.75	Imported	Avnet India Private Limited	March 1, 2010
4.	Debugging Tool	3	0.77	Imported	Lauterbach GmbH	March 1, 2010
5.	ISE Design Suite: DSP Edition (Floating license)	4	1.07	Imported	Avnet India Private Limited	March 2, 2010
6.	PADS PCB Design Tool with Signal Integrity Analysis	1	2.36	Indigenous	CoreEL Technologies (I) Private Limited	March 4, 2010
7.	Mechanical 3D Design – Solidworks	2	0.78	Indigenous	Logical Solutions Limited	March 1, 2010
8.	Mechanical-Thermal Analysis-Abaqus including associative interface	1	3.48	Indigenous	Dassault Systemes Simulia Private Limited	February 27, 2010
9.	Mechanical - 3D Meshing Software with solver	1	1.70	Indigenous	Altair Engineering	March 4, 2010
	Sub Total		**11.93**			
C.	***HW Platforms for SW Development***					
1.	Work Stations (Pentium based)	3	0.57	Indigenous	HCL	March 11, 2010
2.	Sun Work Stations	1	2.92	Indigenous	ACCEL Frontline Limited	March 18, 2010
3.	NAS	1	2.63	Indigenous	ACCEL Front Line	March 18, 2010
	Sub Total		**6.13**			
D.	***SW Development Tools***					
1.	Case Tools	1	8.24	Indigenous	IBM Software	March 21, 2010
2.	Oracle	1	2.13	Indigenous	ACCEL Front Line Limited	March 18, 2010
3.	GIS	1	1.36	Indigenous	NIIT GIS Limited	March 25, 2010
	Sub Total		**11.74**			
E.	***Evaluation Equipment***					
1.	Low Temp and Humidity Chamber (with options and	1	3.95	Imported	Sams Advance Climatic Technologies	February 26, 2010

S. No.	Equipment	Quantity	Total Cost	Imported or Indigenous	Quote From	Quote Dated
	accessories)					
2.	Vibration Simulation System (with options and accessories)	1	10.32	Imported	Adams Tech Private Limited	March 20, 2010
3.	Automatic SMT Assembly machine	1	6.88	Imported	Bergen Systems Private Limited	March 23, 2010
	Sub Total		**21.16**			
	Grand Total (A+B+C+D+E)		**89. 56**			

2. Electronics Test Laboratory Furniture

(Rs. in million)

S. No.	Equipment	Quantity in Sq. ft.	Total Cost	Quote From	Quote Dated
1.	Civil and allied works (internal painting and joinery - aluminum)	7,500	0.15	Antz (Architectural and Technical Zone)	March 25, 2010
2.	Electrical and allied works	7,500	1.16	Antz (Architectural and Technical Zone)	March 25, 2010
3.	ACMV Works (plant, equipment and installation of AC system)	7,500	1.12	Antz (Architectural and Technical Zone)	March 25, 2010
4.	PHE Works	7,500	0.07	Antz (Architectural and Technical Zone)	March 25, 2010
5.	Fire Fighting works	7,500	0.11	Antz (Architectural and Technical Zone)	March 25, 2010
6.	Interior Fit out works (Joinery works, modular and executive furniture, modular false ceiling, chairs, flooring tiles)	7,500	3.93	Antz (Architectural and Technical Zone)	March 25, 2010
	Total		**6.54**		

Investments into a Tower Testing Station

Testing of our power transmission and telecommunications towers and special structures is required to ensure that they meet their respective specified performance criteria. Towers are typically tested by erecting them on test beds and applying varying levels of force at various points on them. We currently outsource the testing of our towers to Central Power Research Institute, Bangalore.

We do not own a full size tower testing station as of date. We believe that having a full scale tower testing facility on our premises will help us reduce the cost and delivery times associated with our Power Transmission projects, expand our delivery capabilities, potentially generate third party revenue and help the development of our special structures business.

Our proposed tower testing facility will be located over five acres of land which form part of our telecommunications and power transmission tower and special structure manufacturing facility in Hyderabad.

For setting up our tower testing facility we believe that no single source in India can design and implement a full scale tower testing station and therefore propose to source our requirements for various aspects of the above facility from different sources and to integrate them. We have received estimates from ACE Techno Consultants Private Limited for the design inputs in relation to various components of the facility.

(Rs. in million)

S. No.	Equipment	Total	Amount to be utilized in the Twelve Month Period ended September 30, 2011
1.	Instrumentation and Winches	31.72	31.72
2.	Foundation for Test Bed (Concrete)	46.32	46.32
3.	Foundation for Control Rooms (reinforcement)	46.54	46.54
4	Structural Hitensile steel including Fasteners and anchor bolts	63.40	63.40

S. No.	Equipment	Total	Amount to be utilized in the Twelve Month Period ended September 30, 2011
5.	Erection Costs	26.25	26.25
	TOTAL	**214.22**	**214.22**

Details of Expenditure and Quotation obtained

(Rs. in million)

S. No.	Equipment	Quantity	Total Cost	Imported or Indigenous	Quote From	Quote Dated
A	**Instrumentation and Winches**			Indigenous		
(i)	Instrumentation for transmission tower testing system		17.36	Indigenous	Synapsis Techno Instruments	March 1, 2010
(ii)	Installation Charges		0.82	Indigenous	Synapsis Techno Instruments	March 1, 2010
(iii)	Winches	48	12.72	Indigenous	Synapsis Techno Instruments	March 1, 2010
(iv)	Installation charges for winches		0.82	Indigenous	Synapsis Techno Instruments	March 1, 2010
	Sub Total		**31.72**			
B	**Foundation for Test Bed (Concrete)**					
(i)	RCC M30	7000 M^3	46.32	Indigenous	Xeed Engineering Private Limited	March 13, 2010
	Sub Total		**46.32**			
C	**Foundation for Control Rooms (reinforcement)**					
(i)	Reinforcement Fe 500	1000 MT	46.54	Indigenous	Xeed Engineering Private Limited	March 13, 2010
	Sub Total		**46.54**			
D	**Structural Hitensile steel including Fasterners and anchor bolts**					
(i)	H.T.Angles IS 2062 GR E-350	1000	48.49	Indigenous	Sanjay Rolling and Engineering Limited	March 17, 2010
(ii)	Fastners 5.6 Grade Bolt and Buts	200	14.91	Indigenous	Isitva Fastners Private Limited	March 18, 2010
	Sub Total		**63.40**			
E	**Erection Costs**					
(i)	Structural Steel	1000 MT	23.16	Indigenous	Xeed Engineering Private Limited	March 13, 2010
(ii)	Fastners and anchor bolts	200 MT	3.08	Indigenous	Xeed Engineering Private Limited	March 13, 2010
	Sub Total		**26.25**			
	Total (A+B+C+D+E)		**214.22**			

Investments into our Solar Cell Production Facility

We currently manufacture our solar photovoltaic modules and solar photovoltaic systems at an eight acre, fully-integrated facility at Nagaram, Hyderabad, utilizing our installed capacity of 20 MW per annum using semi-automatic module manufacturing lines. Our processes at this facility are ISO 9001:2000 and ISO 14001 certified for their adherence to healthy and pollution-free environmental practices. Our quality system for manufacturing is also certified by the German TUV CERT

Certification body for QM-Systems of RWTUV Systems GmbH.

We propose to further automate the above production line by incorporating fully automatic module manufacturing lines. We believe that this increase in the automation of the above facility will increase throughput, improve quality and increase the maximum capacity of our production lines to 60 MW per annum.

(Rs. in million)

S. No.	Equipment	Total Cost	Amount to be utilized in the Twelve Month Period ended September 30, 2010	Amount to be utilized in the Twelve Month Period ended September 30, 2011
1.	Set of 2xTabber/Stringer each of - 1200 c/hr- with common auto layup system	166.38	83.19	83.19
2.	Auto Laminator 3500 x 2200 mm	23.63	11.81	11.81
3.	Framing m/c.	3.06	3.06	-
4.	Cell Tester	22.52	22.52	-
	TOTAL	**215.59**	**120.585**	**95.01**

<u>*Details of Expenditure and Quotation obtained*</u>

(Rs. in million)

S. No.	Equipment	Quantity	Total Cost	Imported or Indigenous	Quote From	Quote Dated
1.	Set of 2xTabber/Stringer each of - 1200 c/hr- with common auto layup system	2	166.38	Imported	Komax Solar Inc.	November 20, 2009
2.	Auto Laminator 3500 x 2200 mm	4	23.63	Imported	Yingkou Jinchen	March 9, 2010.
3.	Auto Frame and locking machine	2	3.06	Imported	Yingkou Jinchen	March 9, 2010
4.	Cell Tester	1	22.52	Imported	Eco-Progetti	March 10, 2010
	Total		**215.59**			

Investments into Equipment for our Oil and Gas Division

We, with the object of expanding the operations of our Oil and Gas division and our ability to bid for large, multi-reach extents of pipelines, intend to invest a sum of approximately Rs. 147.52 Million towards certain plant and machinery including excavation equipment, pipe layers / side booms and other equipments as specified below. The following is a list of equipment which we propose to purchase.

(Rs. in million)

S. No.	Equipment	Total Cost	Amount to be utilised in the Twelve Month Period ended September 30, 2011
1.	Excavators	13.05	13.05
2.	Pipe Layers / Side Booms (DGY 70H)	87.78	87.78
3.	Dozers (TY 165 -2, 131Kw)	8.37	8.37
4.	Cranes (Escort Model 23 Tonnes Capacity)	8.52	8.52
5.	Motor Grader (PY 165 H – 123 Kw)	4.54	4.54
6.	Welding Machines [DR]	0.85	0.85
7.	Boring Machines	4.24	4.24
8	Bending Machine (KC 262 – PBC6 20 Centurion W/Tracks, Diesel Eng HPTO 4 section value)	8.29	8.29
9.	Rock / Jack Hammers	0.13	0.13
10.	Roller Cradles for pipes dia. 12-24”	2.29	2.29
11.	Compressors – 600 cfm	0.90	0.90

S. No.	Equipment	Total Cost	Amount to be utilised in the Twelve Month Period ended September 30, 2011
12.	Tractors and Trailer	3.19	3.19
13.	Cutting & Beveling Machines	1.90	1.90
14.	Holiday detector	0.65	0.65
15.	Heavy Duty Truck (LPT 2516)	2.82	2.82
	TOTAL	**147.52**	**147.52**

Details of Expenditure and Quotation obtained

(Rs. in million)

S. No.	Equipment	Quantity	Total Cost	Imported or Indigenous	Quote From	Quote Dated
1.	Excavators	6	13.05	Indigenous	Caterpillar-GMMCO Limited	March 15, 2010
2.	Pipe Layers / Side Booms (DGY 70H)	6	87.78	Imported	Katragadda Engineering Services Private Limited	March 12, 2010
3.	Dozers (TY 165 -2, 131Kw)	2	8.37	Imported	HBXG-Katragadda	March 11, 2010
4.	Cranes (Escort Model 23 Tonnes Capacity)	3	8.52	Indigenous	Haecon Equipments	March 10, 2010
5.	Motor Grader (PY 165 H – 123 Kw)	1	4.54	Imported	Changlin-Katragadda Limited	March 11, 2010
6.	**Welding Machines**					
(i)	AC Arc Welders 300 Amps 3 Phase Welding Transformer	12	0.42	Indigenous	ADOR Welding Limited	March 9, 2010
(ii)	Welding Generators (Miller USA 400 Amps operator diesel engine driven welding generator)	2	0.43	Imported	Supertech services-Traikush	March 10, 2010
	Sub Total		**0.85**			
7.	**Boring Machines**					
(i)	24/30-150 Base unit and Accessories	1	4.24	Imported	American Augers, Inc.	March 12, 2010
	Sub Total		**4.24**			
8.	Bending Machine (KC 262 – PBC6 20 Centurion W/Tracks, Diesel Eng HPTO 4 section value)	1	8.29	Imported	CRC-Evans Pipeline Int'l., Inc.	March 10,2010
9.	Rock / Jack Hammers	4	0.13	Indigenous	Doosan Infracore India Private Limited	March 14,2010
10.	Roller Cradles for pipes dia. 12-24"	6	2.29	Imported	Vietz GmbH	March 12, 2010
11.	**Compressors - 600 cfm**					
(i)	Atlas Copco Compressor	2	0.90	Imported	Vietz GmbH	March 12, 2010
	Sub Total		**0.90**			
12.	**Tractors and Trailer**					
(i)	Tractor – John Deere 5301 (55hp)	4	2.67	Indigenous	John Deere	March 13, 2010
(ii)	Trailor 5 ton capacity	4	0.52	Indigenous	John Deere	March 13, 2010
	Sub Total		**3.19**			

S. No.	Equipment	Quantity	Total Cost	Imported or Indigenous	Quote From	Quote Dated
13.	Cutting & Beveling Machines	10	1.90	Imported	CRC-Evans Pipeline Int'l., Inc.	March 10, 2010
14.	Holiday detector	4	0.65	Imported	Vietz GmbH	March 12, 2010
15	Heavy Duty Truck (LPT 2516)	2	2.82	Indigenous	Jasper Industries Private Limited	March 12, 2010
	Grand Total		**147.52**			

Augment Long Term Working Capital Requirements

Our business is working capital intensive. We avail a major portion of working capital in the ordinary course of our business from our banks as loans. As of the date of this Draft Red Herring Prospectus, the Company has received sanction of aggregate limits of Rs. 1,350 million.

The working capital requirements set forth below are our estimates based on past experience and projections for the future. We propose to utilize Rs. 805.00 million towards our working capital requirements. The basis of our estimates of working capital requirements are provided below:

Meeting long term working capital margin requirement

The long term working capital margin requirement has been calculated on the basis of additional working capital which will be required in FY 2010-11 based on current and future operations and working capital cycle for debtors, creditors and inventory. The operation improvement plans are expected to be completed in FY 2010-11, thereby increasing the operations of our Company and the requirement of working capital.

Capacity utilization *vis-a-vis* business growth

The capacity utilization of the Company for the 15 months ended September 30, 2009 and Fiscals 2008 and 2007 and estimated capacity utilization for FY 2010 and FY 2011 are as under:-

Utilization of our Company

Divisions	Capacity Utilisation (in %)				
	2006-2007	2007-2008	2008-09 (15 months)	2009-10 *	2010-11 *
Towers/Masts	33.26%	36.65%	23.65%	34.79%	52.87%
Shelters	43.80%	8.69%	5.85%	2.67%	5.47%
Solar Photo Voltaic System	4.18%	38.49%	62.85%	30.00%	40.00%

Estimated (Based on management estimates)

The current trend of growth in revenue of our Company (standalone) has been:

Financial Year	Revenue Growth
2006-07 (12 months)	108.53%
2007-08 (12 months)	40.14%
2008-09 (15 months)	-32.21%

** For FY 2008-09, the sales turnover has reduced*

The long term working capital margin requirement is calculated as follows:

Justification for holding period levels:

Particulars	Holding level (days)	FY 2008	Holding level (days)	FY 2009	Holding level (days)	FY 2010	Holding level (days)	FY 2011
Current Assets	**Extracted from Audited Accounts**		**Extracted from Audited Accounts**		**Estimated**		**Estimated**	
Raw Materials and packing materials	28	536.90	39	560.39	37	807.00	42	1,218.00
Stocks work in Progress	6	135.40	22	354.96	6	144.20	5	162.70
Finished Goods	1	18.80	8	126.28	1	26.80	1	47.60
Sundry Debtors	205	6,281.03	316	6,425.49	175	5,848.10	188	8,313.40
Other Current Assets		2,140.09		3,940.56		4,778.30		6,320.50
Total Working Capital (A)		**9,112.22**		**11,407.68**		**11,604.40**		**16,062.20**
Current Liabilities (other than bank borrowings for working capitals)	115	2,510.80	144	2,186.86	123	3,029.34	122	4,014.94
Advances from customers/other current liabilities		836.60		1679.05		1,654.20		2,000.00
Statutory liabilities		13.70		26.34		79.70		92.60
Total of other current liabilities (B)		**6,198.00**		**7,635.71**		**6,869.67**		**8,406.15**
Net Working Capital (A-B)		2,914.22		3,771.97		4,734.73		7,656.05
Working Capital Borrowings		887.10		1,192.24		1,350.00		2,000.00
Margin		2,027.12		2,579.73		3,384.73		5,656.05
Incremental Margin				**552.61**		**805.00**		**2,271.33**
IPO Funds						805.00		805.00
Internal Accruals								1,466.33

Inventory	Inventory holding levels of raw materials, semi-finished goods, finished goods, etc., are assumed to be in line with September 2008 levels. During the 15 months period ended September 30, 2009, the holding levels are differing with the averages slightly
Receivables	Receivables on account of sales, are assumed to marginally come down
Creditors	Level of creditors is assumed to increase in future due to the Company availing additional credit period from banking system through letter of credits

All the above projections are based on management estimates and have not been appraised by any bank or financial institution.

Our Company proposes to meet the incremental margin money requirement to the extent of Rs. 805 millions from the Net Proceeds.

Our Company has tied-up its entire Working Capital Borrowings (cash credit limit) requirement of Rs. 1350.0 millions from various banks as on the date of the Draft Red Herring Prospectus.

(Rs. in million)

Banks	Date of Sanction Letters	Limits
Syndicate Bank	March 23, 2009	450.00
State Bank of Hyderabad	September 24, 2009	135.00
State Bank of India	December 3, 2009	20.00
Bank Of Baroda	February 2, 2010	41.00
IDBI Bank Ltd.	June 29, 2009	80.00
UCO Bank	August 28, 2009	20.00
Dena Bank	June 6, 2007	10.00
Allahabad Bank	February 6, 2010	50.00
Corporation Bank	January 5, 2009	45.00
State Bank of INDORE	July 3, 2009	86.00
Bank of Maharashtra	June 1, 2009	50.00
Axis Bank Ltd	September 25, 2009	263.00
Lakshmi Vilas Bank Ltd	August 21, 2009	100.00
Total Limit Sanctioned		**1,350.00**

In case of delay in receipt of the Net Issue proceeds, we would meet our long term working capital margin requirement as specified hereinabove from internal accruals and / or fresh debts and the Issue proceeds will be utilized to repay such fresh debts.

Repayment of Loans

We intend to repay up to Rs. 220.00 million of our outstanding debt from the Net Proceeds. We propose to deploy the entire amount of up to Rs. 220.00 million during the twelve month period ending September 30, 2011.

We propose to utilize the aforesaid amount to repay the loan of Rs. 220.00 million that was granted to by IL & FS Financial Services Limited by way of their loan agreement dated June 25, 2008. The total amount of loan sanctioned by IL&FS Financial Services Limited was Rs. 550 million bearing interest rate of 16.25%. The outstanding balance of the said loan as on March 15, 2010 is Rs. 220 million. The outstanding loan amount may be repaid in due course from our internal accruals and will be subsequently recouped from the Net Proceeds. In this regard we have received a consent letter dated March 30, 2010 issued by IL&FS Financial Services Limited in relation to the prepayment of the aforesaid loan.

We have obtained a certificate dated March 30, 2010 from C. Narayan, independent practicing Chartered Accountant that the aforesaid loan availed from IL&FS Financial Services Limited has been deployed for the same purpose for which the loan has been sanctioned.

Please confirm whether the aforesaid 220 million includes all of the interest and principal amounts outstanding as of date.

Schedule of Implementation

Investment in Equipments	Date of Commencement	Expected Completion Date	Status
Tower Testing Facility			
Structural Design	January 2011	February 2011	Yet to Commence
Land Development	January 2011	March 2011	Yet to Commence
Excavation of foundation	January 2011	March 2011	Yet to Commence
Casting of foundation	January 2011	April 2011	Yet to Commence
Fabrication of structural steel & anchor bolts	January 2011	May 2011	Yet to Commence
Erection of mast	January 2011	June 2011	Yet to Commence

Investment in Equipments	Date of Commencement	Expected Completion Date	Status
Construction of control room & winch room	January 2011	April 2011	Yet to Commence
Procurement of load cell system including winches	January 2011	Mar 2011	Yet to Commence
Installation of load cell system including winches	April 2011	May 2011	Yet to Commence
Solar Photovoltaic Cell Assembly Line			
Procurement of Machine set 1 (Tabber/Stringer - 1200 c/hr- with common auto layup system , Auto Laminator 3500 x 2200 mm , Framing m/c, Cell Tester)	June 2010	July 2010	Yet to Commence
Installation of Machine set 1 (Tabber/Stringer - 1200 c/hr- with common auto layup system , Auto Laminator 3500 x 2200 mm , Framing m/c, Cell Tester)	August 2010	September 2010	Yet to Commence
Procurement of Machine set 2 (Tabber/Stringer - 1200 c/hr- with common auto layup system , Auto Laminator 3500 x 2200 mm , Cell Tester)	January 2011	February 2011	Yet to Commence
Installation of Machine set 2 (Tabber/Stringer - 1200 c/hr- with common auto layup system , Auto Laminator 3500 x 2200 mm , Cell Tester)	March 2011	April 2011	Yet to Commence

The plants and equipments for research and development purpose and for Oil and Gas division shall be procured, purchased and installed, as the case may be, by September 2011.

General Corporate Purposes

In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purposes, including but not restricted to strategic initiatives and acquisitions, brand building exercises and the strengthening of our business development and marketing capabilities.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are set forth in the table below:

Activity	**Expense*** *(Rs. in million)*	**Expense** *(% of total expenses)*	**Expense** *(% of Issue Size)*
Lead Management, Underwriting and Selling Commission, Brokerage	[●]	[●]	[●]
SCSB Commission	[●]	[●]	[●]
Bankers to the Issue			

Activity	**Expense*** *(Rs. in million)*	**Expense** *(% of total expenses)*	**Expense** *(% of Issue Size)*
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery (including courier, transportation charges)	[●]	[●]	[●]
Others (Registrar fees, legal fees, listing costs etc)	[●]	[●]	[●]
Fees paid to IPO Grading agency	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

**Will be incorporated after finalisation of the Issue Price.*

All the expenses associated with the Issue will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares being issued /offered in the Fresh Issue and Offer for Sale respectively. The listing fees will be paid by the Company.

Interim use of funds

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Issue.

Shortfall of funds

In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangement would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds earmarked for general corporate purposes.

Monitoring utilization of funds

Our Audit Committee and our Board will monitor the utilisation of the Net Proceeds. Our Audit Committee will review the use of proceeds of the Issue in conjunction with our Board and will make recommendations to the Board on such use where required. We will disclose the details of the utilisation of the Net Proceeds, including interim use, under a separate head in our financial information, specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the Listing Agreement.

Under the Listing Agreement, our Company has agreed to furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds of a public or rights issue from the objects stated in this Draft Red Herring Prospectus.

No part of the proceeds from the Fresh Issue will be paid by us as consideration to our Promoter, our Directors, Promoter Group, Group Entities or Key Management Personnel. The Proceeds of the Offer for Sale less the proportion of Issue expenses to be borne by the Selling Shareholder will accrue to the Selling Shareholder.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company and Selling Shareholder in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process. The face value of the Equity Shares of our Company is Rs. 10 each and the Issue Price is [●] times the face value of the Equity Shares.

Qualitative Factors

The information presented below relating to our Company is derived from the restated audited financial statements of our Company for the 15 month period ended September 30, 2009 and for the fiscal years ended June 30, 2008 and June 30, 2007 prepared in accordance with Indian GAAP. Investors should evaluate our Company: taking into consideration its earnings and based on its consolidated growth strategy. Some of the qualitative factors which may form the basis for computing the Issue Price are as follows:

- Operations in diverse sectors and a healthy order book
- In-house design, engineering, manufacturing and construction capabilities
- Long operating history with long standing customer relationships
- State-of-the-art machinery for manufacturing and testing of products
- Proven research and development capabilities
- Strong project management skills
- Significant qualified employee base and a strong management team with a proven track record

For further details, see the section titled "Business" on page 76.

Quantitative Factors

Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Earnings per equity share ("**EPS**")

EPS based on Standalone basis:

Period	For Basic EPS			For Diluted EPS		
	EPS (Rs.)	Weight	Weighted Avg No. of Equity Shares**	EPS (Rs.)	Weight	Weighted Avg No. of Equity Shares**
15 months period ended September 30, 2009	7.25	3	35,750,100	6.80	3	38,242,972
Fiscal 2008	33.64	2	22,438,561	32.77	2	23,071,987
Fiscal 2007	13.13	1	21,750,000	13.13	1	21,750,000
Weighted Average	17.03			16.51		

EPS based on Consolidated basis

Period	For Basic EPS			For Diluted EPS		
	EPS (Rs.)	Weight	Weighted Avg No. of Equity Shares**	EPS (Rs.)	Weight	Weighted Avg No. of Equity Shares**
15 months period ended September 30, 2009	7.01	2	35,750,100	6.54	2	38,242,972
Fiscal 2008*	33.57	1	22,438,561	32.64	1	23,071,987
Weighted	15.86			15.24		

Average						

Weighted average number of equity shares is as per the report of the Auditors

$$\text{Basic and Diluted Earnings per share (in Rs.)} = \frac{\text{Net Profit After Tax - Restated}}{\text{Weighted average number of equity shares outstanding during the period/year}}$$

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

Basic EPS as per the restated audited standalone financial statements for the 15 months period ended September 30, 2009 is Rs. 7.25 and the weighted average Basic EPS is Rs. 17.03

Basic EPS as per the restated audited consolidated financial statements for the 15 months period ended September 30, 2009 is Rs. 7.01 and the weighted average Basic EPS is Rs. 15.86

Price / Earnings Ratio based on the Basic EPS:

	Standalone Basis		Consolidated Basis	
Particulars	**P/E at the lower end of the Price Band (no. of times)**	**P/E at the higher end of the Price Band (no. of times)**	**P/E at the lower end of the Price Band (no. of times)**	**P/E at the higher end of the Price Band (no. of times)**
Based on the Basic EPS for the 15 months period ended September 30, 2009	[●]	[●]	[●]	[●]
Based on the weighted average Basic EPS	[●]	[●]	[●]	[●]

Diluted EPS as per the restated audited standalone financial statements for the 15 months period ended September 30, 2009 is Rs. 6.80 and the weighted average Diluted EPS is Rs. 16.51

Diluted EPS as per the restated audited consolidated financial statements for the 15 months period ended September 30, 2009 is Rs. 6.54 and the weighted average Diluted EPS is Rs. 15.24

Price / Earnings Ratio based on the Diluted EPS:

	Standalone Basis		Consolidated Basis	
Particulars	**P/E at the lower end of the Price Band (no. of times)**	**P/E at the higher end of the Price Band (no. of times)**	**P/E at the lower end of the Price Band (no. of times)**	**P/E at the higher end of the Price Band (no. of times)**
Based on the Diluted EPS for the 15 months period ended September 30, 2009	[●]	[●]	[●]	[●]
Based on the weighted average Diluted EPS	[●]	[●]	[●]	[●]

Peer Group P/E

Particulars	P/E
a) Highest	20
b) Lowest	12.7
c) Industry Average	17.3

Source: Capital Market, Volume XXV/02, March 22 – April 04, 2010, Transmission Line Towers / Equipment Industry

3. ***Average Return on Networth ("RoNW")***

Return on Net Worth as per restated financial statements

RoNW on Standalone basis

Period	RoNW (%)	Weight
15 months period ended September 30, 2009	9.66%	3
Fiscal 2008	31.06%	2
Fiscal 2007	26.43%	1
Weighted Average	19.59%	

RoNW on Consolidated basis

Period	RoNW (%)	Weight
15 months period ended September 30, 2009	9.39%	2
Fiscal 2008	31.00%	1
Weighted Average	16.59	

$$\text{Return on Net Worth (\%)} = \frac{\text{Net profit after Tax - Restated}}{\text{Net worth - Restated at the end of the period/year}}$$

Net Worth means Equity Share Capital + Preference Share Capital + Reserves and Surplus

Return on Net Worth as shown in the tables above have been calculated based on the Net Worth excluding Preference Share Capital

4. ***Minimum Return on Total Net Worth after Issue needed to maintain pre-Issue EPS for the year ended September 30, 2010 is [●]***

5. ***Net Asset Value***

Particulars	Standalone Basis Amount. (Rs.)	Consolidated Basis Amount. (Rs.)
Net Asset Value per Equity Share as of September 30, 2009	75.35	62.64
Net Asset Value per Equity Share after the Issue	[●]	[●]
Issue Price per equity share	[●]	

$$\text{Net Asset Value per Share (in Rs.)} = \frac{\text{Net Worth – Restated}}{\text{Total number of equity shares outstanding at the end of the period/year}}$$

Net Worth means Equity Share Capital + Preference Share Capital + Reserves and Surplus

NAV per share figures as shown in the table above have been calculated based on the Net Worth excluding Preference Share Capital

6. Peer Group Comparisons (Listed Industry Peers)

	EPS (Rs. Per Equity Share)	**Book Value (Rs. Per Equity Share)**	**Price / Earnings Ratio**	**RoNW (excluding preference share capital) %**
ICOMM Tele Limited	7.01	62.64	[●]	9.39%
PEER GROUP				
Kalpataru Power Transmission Limited	34.40	315.60	20.00	11.80%
KEC International Limited	22.80	113.20	17.00	22.30%
Jyoti Structures Limited	9.60	50.80	15.40	21.00%
Industry Composite			**17.30**	

Source: Capital Market, Volume XXV/02, March 22 – April 04, 2010, Transmission Line Towers / Equipment Industry

Note:
1. All data for peer group companies are for full fiscal 2009
2. All figures for the Company are based on consolidated financials for the 15 month period ended September 30, 2009
3. EPS: Net Profit reduced by preference dividend and the dividend tax, divided by the number of equity shares
4. Book Value: The book value per share is arrived at by dividing the sum of equity and reserves (excluding revaluation reserves) by the number of equity shares
5. Price / Earnings ratio is based on trailing 12 months earnings. Price / Earnings Ratio = Market Price as on March 15, 2010 / trailing 12 months EPS

Since the Issue is being made through the 100% Book Building Process, the Issue Price has been determined on the basis of assessment of market demand. The BRLMs believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. For further details, see "Risk Factors", "Business" and "Financial Statements" on pages xiii, 76 and F-1, respectively, to have a more informed view. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value of the Equity Shares.

STATEMENT OF TAX BENEFITS

The Board of Directors
ICOMM TELE LIMITED
304, Trendset Towers, Road No.2
Banjara Hills
Hyderabad- 500034

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to ICOMM TELE Limited (the "Company") and its shareholders under the Income-tax Act, 1961 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent up on fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

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

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

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

For **Nataraja Iyer & Co**
Chartered Accountants
Registration No. – 002413S

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. - 008072S

E.S.Ranganath
Partner

Ganesh Balakrishnan
Partner

Place: Hyderabad
Date: March 30, 2010

ANNEXURE

The following key direct tax benefits are available to the Company and the prospective shareholders under the current direct tax laws in India.

The tax benefits listed below are the possible benefits available 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. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperative it faces in the future, they may or may not choose to fulfill. This statement is only intended to provide the tax benefits to the Company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. In view of the individual nature of tax consequence and the changing tax laws, each investor is advised to consult their own tax advisor with respect to specific tax implications arising out of their participation in the issue.

I. SPECIAL TAX BENEFITS

1. Special benefits available to the Company under the Income-tax Act, 1961 (the Act)

a. Deduction under section 80-IB (4) of the Act

Tax benefits available to the Company for operating an industrial undertaking shall be hundred per cent of the profits and gains derived from such industrial undertaking for five assessment years beginning with the initial assessment year and thereafter thirty per cent of the profits and gains derived from such industrial undertaking:
The Company is operating its Telecom division in Yanam, Pondicherry state (Industrially backward state as specified in Eight Schedule to the Act and is availing benefit under section 80-IB(4) from the FY 2002-03 and eligible to claim this deduction until FY 2011-12.

b. Deduction under section 80-IC (2)(a)(ii) of the Act

Under section 80-IC (2)(a)(ii) of the Act, a company may avail tax benefits for operating an industrial undertaking set-up in an Export Processing Zone or Integrated Infrastructure Development Centre or Industrial Growth Centre or Industrial Estate or Industrial Park or Software Technology Park or Industrial Area or Theme Park, as notified by the Board, in the State of Himachal Pradesh or Uttaranchal. It shall be eligible for one hundred per cent of profits and gains for five assessment years commencing from the initial assessment year and thereafter, thirty per cent of the profits and gains.

As per the Company, it has obtained license to operate Telecom Business in the state of Himachal Pradesh and it is expecting to begin the commercial production of the new division before 1 April 2012. If that so, the Company would be eligible for above tax benefits subject to fulfillment of other conditions.

c. Deduction under section 35(2AB) of the Act

Tax benefits available to the Company for the expenditure incurred towards in-house research and development in a facility which is approved by Department of Science and Industrial Research (DSIR) shall be weighted deduction of one hundred and fifty percent of such expenditure. Further, both revenue and capital expenditure (except for land and buildings) is eligible for the weighted deduction.

The Company is engaged in the business of manufacture or production of telecommunication equipments and has an in-house research and development facility for the same. This facility has been approved by the DSIR till the year 2010 and as per the Company, it is in the process of applying for renewal of the same. Accordingly, if the facility gets renewed by DISR, it would be eligible for weighted deduction of one hundred and fifty percent of the expenditure incurred in this facility subject to fulfillment of other conditions.

2. Special benefits available to the Shareholders under the Act

No special tax benefits available to the shareholders of the Company

II. GENERAL TAX BENEFITS

1. General benefits available to the Company under the Act:

- **Business Income**

a. Depreciation

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business under section 32 of the Act.

In case of new machinery or plant (other than ships and aircrafts), that is acquired and installed by the Company, it is entitled to additional deprecation equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

Unabsorbed deprecation, if any, for an assessment year can be carried forward and set off against income from any source in subsequent assessment years in accordance with section 32 of the Act.

b. Deduction for interest on borrowed capital

In accordance with the provisions of section 36(1)(iii) of the Act and subject to the conditions mentioned therein, the Company is eligible for a deduction for interest paid by it in respect of capital borrowed for the purposes of the business and profession.

c. Set off of business losses

In accordance with and subject to conditions mentioned in section 71 of the Act, the Company is eligible to set off business loss against income under any other head except capital gains.

- **Capital Gains**

a. Long Term Capital Gain (LTCG)

Capital Gains arising from the transfer of a capital asset being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond held by an assessee for more than 12 months will be long term in nature. In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset held by an assessee for more than 36 months.

b. Short Term Capital Gain (STCG)

STCG means capital gain arising from the transfer of capital asset being Share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bonds, held by an assessee for 12 months or less.
In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.

c. Tax Treatment

i. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under section 10(23D)) of the Act are exempt from tax under section 10(38) of the Act provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified therein.

ii. Income by way of LTCG exempt under section 10(38) of the Act is to be taken into account in computing the book profit and income tax payable under section 115JB of the Act.

iii. As per section 48 of the Act and subject to the conditions specified in that section, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

iv. As per section 112 of the Act, LTCG is taxed @ 20% (plus applicable surcharge and cess).

v. However, if such tax payable on transfer of listed securities or units or Zero coupon bonds exceed 10% of the LTCG, without indexation benefit, the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

vi. As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined, which has been set up under a scheme of a mutual fund specified under section 10(23D)), are subject to tax at the rate of 15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under chapter VI-A of the Act shall be allowed from such income.

vii. STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined, which has been set up under a scheme of a mutual fund specified under section 10(23D) of the Act), where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable surcharge and cess).

viii. As per section 71 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 years.

ix. As per section 71 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent 8 years.

x. As per section 54EC of the Act, capital gains arising from the transfer of a long term capital asset shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by the following and subject to the conditions specified therein:

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

If only part of the capital gains is reinvested, the exemption shall be available on a proportionate basis.

- **Other Income:**

a. Dividend Income

Dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company shall be exempt from tax under section 10(34) read with section 115-O of the Act.

b. Income from Mutual Funds

Income received in respect of units of a mutual fund specified under section 10(23D) of the Act (other than income arising from transfer of such units) shall be exempt from tax under section 10(35) of the Act.

2. General benefits available to the Members of the Company under the Act

A. Resident Members

a. Dividend income

Dividend, (both interim and final), if any, received by the resident shareholders from a Domestic Company shall be exempt from tax under section 10(34) read with section 115-O of the Act.

b. Capital gains

i. Benefits outlined in Paragraph 1(B) of section 2 above are also applicable to resident shareholders.

ii. In addition, a resident shareholder, being an individual or a Hindu Undivided Family (HUF) will be entitled to exemption under section 54F of the Act. Under this section, LTCG arising from transfer of shares shall be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

B. Non-Resident Indians/ Members Other than FIIs and Foreign Venture Capital Investors

a. Dividend Income

Dividend (both interim and final), if any, received by the non-resident shareholders from a Domestic Company shall be exempt from tax under section 10(34) read with section 115-O of the Act.

b. Capital gains

Benefits outlined in paragraph 2(A) above are also available to a non-resident shareholder except that as per first proviso to section 48 of the Act, the capital gains arising on transfer of shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

c. Benefits under Double Taxation Avoidance Agreements (DTAA):

As per section 90 of the Act, the non-resident shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable DTAA entered into by the Government of India with the country of residence of the non-resident investor.

C. Special provisions in case of non-resident Indians in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act

i. Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grand parents, were born in undivided India.

ii. Specified foreign exchange assets include shares of an Indian company which are acquired/ purchased/ subscribed by NRI in convertible foreign exchange.

iii. As per section 115E of the Act, and subject to conditions mentioned therein, income (other than dividend which is exempt under section 10(34)) from investments and LTCG (other than gain exempt under section 10(38)) from assets (other than specified foreign exchange assets) shall be taxable @ 20% (plus applicable cess).

iv. As per section 115E of the Act, LTCG arising from transfer of specified foreign exchange assets shall be taxable @ 10% (plus applicable surcharge and cess).

v. As per section 115F of the Act, LTCG arising on transfer of a foreign exchange asset shall be exempt in case net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

vi. As per section 115G of the Act, in case total income of a NRI consists only of income/ LTCG from such foreign exchange asset/ specified asset and tax thereon has been deducted at source in accordance with the Act, then, it shall not be necessary for a NRI to file return of income under section 139(1) of the Act.

vii. As per section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he may furnish a declaration in writing to the assessing officer, along with his return of income under section 139 of the Act for the assessment year in which he is first assessable as a resident, to the effect that the provisions of the chapter XII-A of the Act shall continue to apply to him in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

viii. As per the provisions of section 115-I of the Act, the NRI may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A of the Act 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 Act.

D. Foreign Institutional Investors (FIIs)

a. Dividend Income

Dividend (both interim and final), if any, received by the FII shareholder from the domestic company shall be exempt from tax under section 10(34) read with section 115O of the Act.

b. Capital Gains

i. As per section 115AD of the Act, income (other than income by way of dividends referred to section 115O) received in respect of securities (other than units referred to in section 115AB) shall be taxable at the rate of 20% (plus applicable surcharge and cess). No deduction in respect of any expenditure/ allowance shall be allowed from such income.

ii. As per section 115AD of the Act, capital gains arising from transfer of securities shall be taxable as follows:

- As per section 111A of the Act, STCG arising on transfer of securities where such transaction is chargeable to STT shall be taxable at the rate of 15% (plus applicable surcharge and cess), STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable surcharge and cess).
- LTCG arising on transfer of a long term capital asset, being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under section 10(38) of the Act,
- LTCG arising on transfer of securities where such transaction is not chargeable to STT shall be taxable at the rate of 10% (plus applicable surcharge and cess). The indexation benefit shall not be available while computing the capital gains.

iii. Benefit of exemption under section 54EC of the Act shall be available as outlined in Paragraph l (B)(c)(x.) above.

c. Benefit under DTAA

As per section 90 of the Act, a FII shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable DTAA entered into by the Government of India with the country of residence of the FII shareholder.

d. Mutual Funds

As per the provisions of section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

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

Shares in a company, held by a shareholder are not treated as an asset within the meaning of section 2(ea) of the Wealth Tax Act, 1957; hence, wealth tax is not applicable on shares held in a company.

Notes:

a) The above said general benefits are available to all the Companies/ shareholders of any company upon fulfillment of prescribed conditions under respective sections of the Act.

b) All the above benefits are as per the current tax law and will be available only to the sole/ first names holder in case the shares are held by joint holders.

c) In respect of non-resident investors, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the relevant DTAA, if any, between India and the country of residence of the non-resident investor.

SECTION IV: ABOUT THE COMPANY

INDUSTRY

The following information includes extracts from publicly available information, data and statistics and has been extracted from official sources and other sources that we believe to be reliable, but which have not been independently verified by us, or the BRLMs. The data may have been re-classified by us for the purpose of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information and estimates as of specific dates and may no longer be current.

We are primarily an engineering, procurement and construction company which is dedicated to providing comprehensive infrastructure solutions, primarily in the telecom, power and water and waste water sectors. We believe we distinguish ourselves by having state-of-the-art manufacturing facilities and a dedicated R&D department committed to providing innovative solutions to our clients. We started our operations in 1989 and have over two decades of experience in providing integrated design, manufacturing, testing, installation and commissioning services of telecom infrastructure to telecom operators and over a decade of experience in constructing power transmission lines and distribution networks on the same basis. In 2008, we diversified our EPC business into the water and waste water sector and have starting bidding for EPC contracts in the oil and gas sector.

Overview of the Indian Economy

The Indian economy went through a significant slowdown in growth rate in the second half of 2008-09, following the global financial downturn. The growth rate of the gross domestic product (GDP) in 2008-09 was 6.7 per cent, with growth in the last two quarters hovering around 6 per cent. There was apprehension that this trend would persist for some time, as the full impact of the economic slowdown in the developed world worked through the system. (*Source: Economic Survey of India, 2009-2010*).

India's fiscal deficit increased from the end of 2007-08, reaching 6.8 per cent (budget estimate, BE) of GDP in 2009-10. However, over the span of the year, the economy has posted a recovery. In the second quarter of 2009-10, the economy grew by 7.9 per cent. (*Source: Economic Survey of India, 2009-2010*).

As per the advance estimates of GDP for 2009-10, released by the Central Statistical Organisation (CSO), the economy is expected to grow at 7.2 per cent in 2009-10, with the industrial and the service sectors growing at 8.2 and 8.7 per cent respectively. (*Source: Economic Survey of India, 2009-2010*).

Indian Power Sector: Transmission and Distribution

Demand for our infrastructure solutions in the power transmission lines and power distribution sector is largely dependent on development, demand and new investments in power generation, transmission and distribution sectors.

According to the CEA, as of January 31, 2010, India's power generation systems had an installed capacity of 156,783.98 MW. Thermal power plants powered by coal, gas, naphtha or oil accounted for 64.6% of total power capacity in India, hydroelectric stations accounted for 24.7% and renewable sources of energy accounted for 7.7% of the total power capacity.

Power Transmission

The bulk transfer of power over long distances at high voltages (typically above 132 kV) is classified as power transmission.

The transmission of power in India, while traditionally linked to evacuation of power from power projects to distribution systems, has evolved into an integrated, grid based system for power transmission. The total power transmitted in the country has increased from 3,708 ckm in 1950 to more than 250,000 ckm in Fiscal 2009. (*Source: http://www.powermin.nic.in/JSP_SERVLETS/internal.jsp#*

accessed on March 9, 2010.) The Government's "power for all" initiative contemplates a National Grid including interstate connections, technology upgradation and optimization of transmission cost.

In India, the T&D system is a three-tier structure comprising distribution networks, state grids, and regional
grids. These distribution networks and state grids are primarily owned and operated by respective SEBs or state governments (through state electricity departments). Most inter-state transmission links are owned and operated by the PGCIL, though some are jointly owned by the concerned SEBs. In addition, PGCIL owns and operates many inter-regional transmission lines (part of the national grid) to facilitate the transfer of power from a region of surplus to one with a deficit. At present, there are five regional grids operating in India - Northern, Eastern, Western, Southern and North-eastern. Regional or inter-state grids facilitate the transfer of power from a region of surplus to one with a deficit. These regional grids also facilitate the optimal scheduling of maintenance outages and better coordination between power plants. (*Source: Power Grid Corporation of India website accessed on March 9, 2010*.)

The current installed transmission capacity is only 13 % of the total installed generation capacity. With the focus on increasing generation capacity over the next 8-10 years, the corresponding investments in the transmission sector are also expected to increase. The Ministry of Power plans to establish an integrated National Power Grid in the country by 2012 with close to 200,000 MW generation capacities and 37,700 MW of inter-regional power transfer capacity. (*Source: Power Sector in India, White paper on Implementation Challenges and Opportunities, for release at the Energy Summit, Nagpur - January 2010*).

Regulatory changes pursuant to the Electricity Act, 2003 have provided for competition in the power transmission sector and provided for the grant of transmission licenses by the Central Electricity Regulatory Commission (CERC) as well as State Electricity Regulatory Commissions (SERCs).

For details on the regulatory framework surrounding power transmission and distribution, see "Regulations and Policies" on page 102 of this Draft Red Herring Prospectus.

The Government's "power for all" initiative requires the generation, transmission and distribution of an estimated 200,000 MW of power in India. The National Electricity Policy recognizes this massive increase planned in generation, the attendant need for the development of the power market and the need for substantially augmenting transmission capacity. The Electricity Act provides for participation by private suppliers on a competitive basis to encourage private participation in the power transmission sector on tariff based competitive bidding.

While the predominant technology for electricity transmission and distribution has been alternating current (AC) technology, high voltage direct current (HVDC) technology has also been used for interconnection of all regional grids across the country and for bulk transmission of power over long distances.

From the table below, it is clear that HVDC and high voltage AC lines have become increasingly common over time.

Transmission System Type / Voltage Class	Unit	As at the end of 9th Plan i.e. March 2002 *	Added during 2002-06 (four years)	Achieved as at the end of 2005-06 i.e. March 2006	To be added during 2006-07	Target for the End of 10th Plan i.e. March 2007
TRANSMISSION LINES						
(a) 765 kV	ckm	971	186	1157	996	2153
(b) HVDC ± 500kV	ckm	3138	2738	5876	0	5876
(c) 400 kV	ckm	49378	13773	63151	14403	77554
(d) 230/220kV	ckm	96994	10593	107587	12017	119604
(e) HVDC 200kV	ckm	162	0	162	0	162
Total of (a), (b), (c),(d) & (e)	ckm	**150643**	**27290**	**177933**	**27416**	**205349**
SUBSTATIONS						
(a) 765 kV	MVA	0	0	0	3000	3000
(b) 400 kV	MVA	60380	20540	80920	12120	93040
(c) 230/220 kV	MVA	116363	28758	145121	12348	157469
Total of (a), (b) & (c)		**176743**	**49298**	**226041**	**27468**	**253509**
HVDC						
(a) Bi-pole link capacity	MW	3000	2000	5000	500	5500
(b) Back-to back capacity	MW	2000	1000	3000	0	3000
(c) Mono-pole link capacity	MW	200	0	200	0	200
Total of (a), (b) & (c)	MW	**5200**	**3000**	**8200**	**500**	**8700**

(Source: Transmission Lines and Substations Programme Achievements, February 2010 accessed from www.cea.nic.in on March 29, 2010.)

Ultra Mega Transmission Projects (UMTP)

The focus of the Eleventh Five Year Plan programme is formation of the National Power Grid which would enable the exploitation of unevenly distributed generation resources in India to their optimum potential. It is proposed to add new inter-regional capacities of 20,700 MW at 220kV and above during the Eleventh Five Year Plan period. This would increase the total inter-regional transmission capacity of National Power Grid of 220kV and above from 16,450 MW at the beginning of the Eleventh Five Year Plan in 2007 to 37,150 MW by 2011-12.

The Ministry of Power had announced fourteen ultra mega transmission projects for private sector participation on a build-own-operate basis. The Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) have been appointed as the nodal agencies to oversee implementation of these projects through shell companies.

The ministry, PFC and REC have invited EoIs for the evacuation systems for the Maithon (1,000 MW), Kodarma (1,000 MW) and Bokaro extension (500 MW) projects. They have also invited EoIs for a project to bring surplus power from the east and northeast to the northern region, entailing an investment of Rs. 18 billion. EoIs have also been invited for the evacuation system for North Karanpura (1,980 mw) costing Rs. 41 billion.

The Working Group on Power- Eleventh Five Year Plan (2007-12) has recommended that new technologies would need to be adopted and implemented in a proactive manner to achieve amongst others the objectives of optimum utilization of the available transmission assets, conservation of Right-of-Way, and reduction of transmission costs and losses. Some of the new technologies adopted/being adopted in its transmission system include:

- High capacity 6,000MW +800kV HVDC system;
- 765kV AC transmission system;
- Ultra High Voltage AC transmission system(1000kV);
- Application of series compensation;
- Flexible AC transmission system (FACTS);

- Upgradation of transmission line;
- High temperature endurance conductor;
- Tall/multi-circuit & compact tower;
- High surge impedance loading line (HSIL);
- Remote operation of substation, substation automation and gas insulated; substation (GIS);
- All Aluminum Alloy Conductors (AAAC) and polymer/composite insulators;
- Development of disc insulators of 320kN & 420kN indigenously for both AC & HVDC applications, as import substitution;
- Indigenous development of semi-conducting glazed insulators (Offering better pollution performance);
- Introduced source/process inspection of equipment to ensure zero defect;
- Airborne laser terrain mapping (ALTM) for detailed route survey;
- Thermo-vision scanning of the lines and sub-stations
- Conditional monitoring of equipment;
- Preventive maintenance of transformers using state-of-art oil testing laboratories set up by the company; and
- Emergency restoration system (ERS).

Power Distribution

Power distribution refers to the transmission of power from the high voltage transmission lines to the end users of power. Distribution infrastructure typically includes mechanisms for stepping down higher voltages, metering, billing, collection and distribution within urban and rural areas.

Distribution forms the essential link between power generation and transmission and the end users of power. This function was typically carried out by state and regional electricity boards and characterized by a high percentage of transmission and distribution as well as commercial losses which were in excess of 30% in 2001.

To improve distribution infrastructure, the Central Government has formulated the Accelerated Power Development Reform Programme (“APDRP”).

The objectives of this program were to improve the financial viability of state power utilities, reduction of aggregate technical and commercial losses to around 10%, improving customer satisfaction, increasing reliability and quality of power supply. The APDRP has two components, investment and incentive, which provide funds for state electricity boards to upgrade their distribution infrastructure and incentivize their reducing losses. (*Source*: *powermin.nic.in accessed on March 9, 2010*).

Rural Electrification

The Ministry of Power has introduced the Rajiv Gandhi Grameen Vidhyutikaran Yojana (RGGVY) in April 2005 for achieving the objective of providing access to electricity to all rural households.

REC is the nodal agency for the programme. Under this scheme, a 90% capital subsidy is be provided for rural-electrification infrastructure through the creation of Rural Electricity distribution backbone (REDB) comprised of 33/11 kV (or 66/11 kV) substations, creation of village electricity infrastructure (VEI) for electrification of all un-electrified villages/habitations and provision of distribution transformer (s) of appropriate capacity in every village/habitation, and decentralized distributed generation (DDG) and supply system from conventional sources for Villages/Habitations where grid supply is not cost effective and where Ministry of Non-Conventional Energy Sources would not be providing electricity through their programmer(s).

The balance 10% will be loan assistance provided by the REC on soft terms. The scheme, inter-alia, provides for funding of electrification of all un-electrified below poverty line (BPL) households with 100% capital subsidy.

The Ministry of Power has decided to implement the Re-Structured Accelerated Power Development and Reforms Programme during the Eleventh Five Year Plan period. The programme proposes to cover all towns and cities with populations in excess of 30,000 for the renovation, modernization and strengthening of 11kV level substations, transformers/transformer centers, reconductoring of lines, load bifurcation, HVDS and aerial bunched conductoring. (*Source: Ministry of Power: Notification No. 14/04/2008-APDRP*)

Telecommunications Infrastructure

Types of Telecommunications Infrastructure

Telecommunications service providers utilize a combination of active and passive telecommunications infrastructure to provide access services to their customers.

Active Telecommunications Infrastructure

Active telecommunications infrastructure includes the hardware and software which is involved in the actual transmission and reception of telecommunications including the transceivers, antennae, cabling, feeders and other related equipment.

Passive Telecommunications Infrastructure

Passive telecommunications infrastructure includes the various infrastructure components which support the active telecommunications infrastructure. These include ground based and rooftop towers, masts, shelters, SMPS, battery backups, DG Sets and, air conditioning equipment.

Demand for Telecommunications Infrastructure

Demand for our infrastructure solutions in the active and passive telecommunications infrastructure sector is largely dependent on the development, demand and new investments in wired and wireless telecommunications sectors.

The Telecom Sector in India has shown remarkable growth during the last decade propelled largely by unprecedented demand for mobile telephony. India has the second largest telecom network and the second largest wireless network in the world *(Source: Department of Telecommunications, Annual Report 2009-10)*.

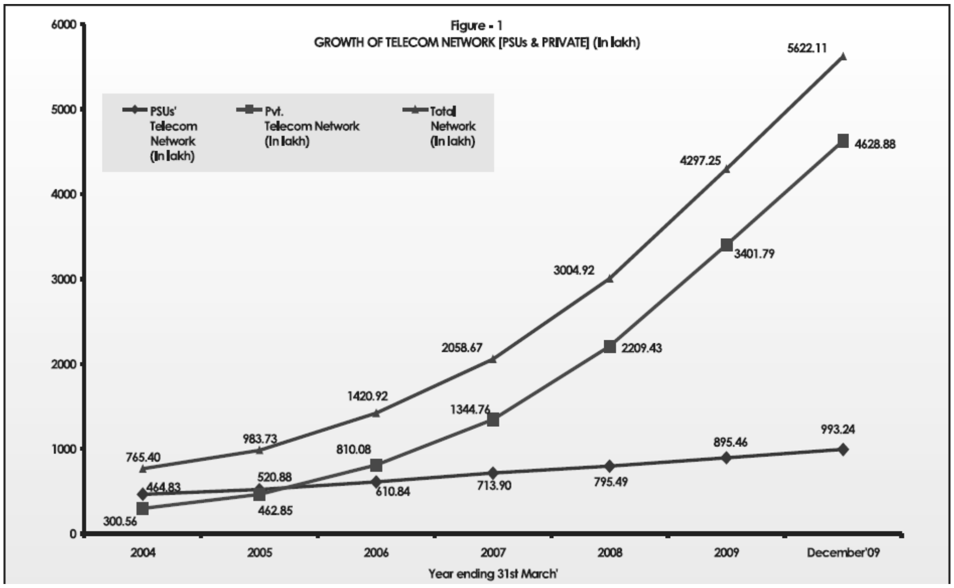
The Indian telecom market has the potential to grow further. With a large percentage population yet to have access to telecommunication and teledensity of approximately 48% and rural tele-density of approximately 21%, potential for the sector remains large especially in urban areas where wireline and internet services are yet to make significant inroads. Even the mobile services space, which has seen exponential growth in urban areas, has not reached the vast majority in rural areas. The focus of the stakeholders, is now shifting to these untapped rural areas which will provide engine for the second phase of the growth in Indian Telecom. The targeted Rural teledensity has been upgraded to a target teledensity of 40% by 2014, and one billion telephones in the country by 2015 are being contemplated. *(Source: Department of Telecommunications, Annual Report 2009-10)*.

Trends Driving Increased Telecommunications Infrastructure Requirements

Increasing demand for telecommunication services

With about 562.21 million connections as of December 31, 2009, India currently has the second largest telecom market in the world by number of subscribers. However, according to the Department of Telecommunications, Annual Report 2009-10, the total tele-density in India is about 47.88% compared to tele-densities of 70 to 80% in most developed nations. The wireless subscriber base increased to 525.15 million connections as of December 31, 2009.

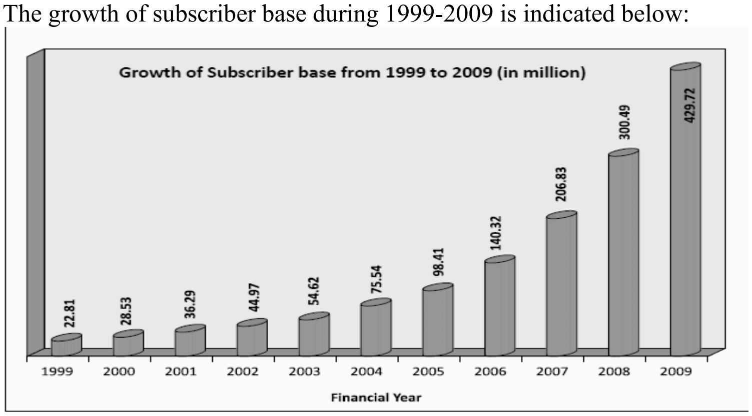
The following graph tracks the year on year growth of the telecommunications in India since 2004.



Department of Telecommunications, Annual Report 2009-10

The total subscriber base (both wireless and wireline) of telecom sector in India was 429.72 million subscribers as of March 31, 2009 and increased by 132.49 million subscribers during the period ended December 31, 2009 to 562.21 million subscribers as on December 31, 2009. *(Source: Department of Telecommunications, Annual Report 2009-10)*.

The growth of subscriber base during 1999-2009 is indicated below:



Source : Twelfth Annual Report of the Telecom Regulatory Authority of India, November 4, 2009

There were 241 Unified Access Service (UAS), 2 Basic Service and 38 Cellular Mobile service (CMTS) Licenses as on December 31, 2009.

Permission for usage of dual technology spectrum (both CDMA and GSM) under the same CMTS/UAS Licence has been granted to eight companies as on December 31, 2009.

A growing number of access providers are seeking to address the demand for mobile telephony. The following is a list of key access providers along with their subscriber base and market share as of September 30, 2009.

S. No.	Provider	Rural Subscribers	Urban Subscribers	Total Subscribers	Market Share
1	Bharti	38.45	74.99	113.44	22.29%
2	Reliance	17.52	69.75	87.27	17.14%
3	BSNL	31.02	56.19	87.20	17.13%

4	Vodafone	27.29	55.56	82.85	16.28%
5	IDEA	22.15	29.30	51.45	10.11%
6	Tata	4.46	43.34	47.80	9.39%
7	Aircel	10.74	14.99	25.73	5.05%
8	MTNL	-	8.19	8.19	1.61%
9	Loop Mobile (BPL)	-	2.50	2.50	0.49%
10	Sistema	0.19	1.86	2.06	0.40%
11	HFCL	0.00	0.54	0.55	0.11%
	Total	**151.82**	**357.21**	**509.04**	**100.00%**

(*TRAI*: *The Indian Telecom Services Performance Indicators, July - September 2009, January 7, 2010*).

This growth is not restricted to voice based services alone. For instance, the number of data subscribers with broadband connections grew from 0.18 million as of March 2005 to about 7.98 million of December 31, 2009. (*Source: Department of Telecommunications, Annual Report 2009-10*). It is also envisaged that internet and broad-band subscribers will increase to 40 million and 20 million, respectively, by 2010. The total number of internet subscribers as of September 30, 2009 stood at 14.63 million. (*TRAI*: *The Indian Telecom Services Performance Indicators, July - September 2009, January 7, 2010*).

Increasing bandwidth demands due to VAS

Average Revenue per User ("**ARPU**") for GSM services declined by 11.30% to Rs. 164 in the three month period ended September 30, 2009. ARPU for CDMA services similarly declined by 3.8% for the three month period ended September 30, 2009 to Rs. 89. With the object of increasing the ARPU for mobility services, telecommunication service providers are attempting to deliver value added content like streamed video and television content over 3G and WiMax networks which will become available to them through a competitive bidding process which is currently scheduled to take place on April 9, 2010. Such services will increase bandwidth requirements and hence infrastructure requirements per user.

The mobile value added services include, text or SMS, menu based services, downloading of music or ringtones, mobile TV, videos, streaming, sophisticated m-commerce applications etc. Prior to 2008, a majority of VAS revenues were attributable to SMS's. However, recent trends indicate that this mix is evolving. With greater penetration of new services, availability of relatively inexpensive feature rich handsets and consumer education, VAS other than SMS is gaining importance. It is further expected that over the next few years, non-SMS VAS would become a dominant contributor to VAS revenue.

Fixed line internet users are also tending towards high bandwidth services with the share of broadband subscribers in total internet subscribers increasing to 49.3% as of September 30, 2009.

Increase in Rural Teledensity

Rural teledensity in India was 21.19% at the end of December 2009 while urban teledensity was 110.69% at the end of December 2009.

The National Telecom Policy, 1999 ("**NTP '99**") has provided that the resources for meeting the Universal Service Obligation (USO) would be raised through a 'Universal Access Levy' (UAL), which would be a percentage of the revenue earned by the operators under various licenses.

This mechanism has been made operational by way of the Universal Service Obligation Fund (USOF) which is comprised of collections from various categories of licensees by the DoT.

As on December 31, 2009, about 0.57 million (94.79%) villages covered by Village Public Telephones by way of a subsidy from the USOF where not commercially viable and through regular channels where commercially viable

Under the *Bharat Nirman* scheme, VPTs have been installed in 61,186 villages in rural India as of December 31, 2009 out of 66,822 villages which are proposed to be covered.

It is further envisaged to provide support for setting up and managing 7,871 infrastructure sites spread over 500 districts in 27 states of the country for the provision of wireless phone services. The infrastructure so created will be used in the provision of wireless phone services in the specified rural and remote areas, where there is no existing fixed wireless or mobile coverage. 7,436 telecommunications towers are due to be set up through the Infrastructure sharing scheme over 500 districts in 27 states of the country and 6,956 towers set up as on December 31,2009.

In the second phase of the scheme, it is proposed to cover the other uncovered rural and remote areas of the country through mobile services by setting up 11,000 additional towers and attendant passive telecommunications infrastructure.

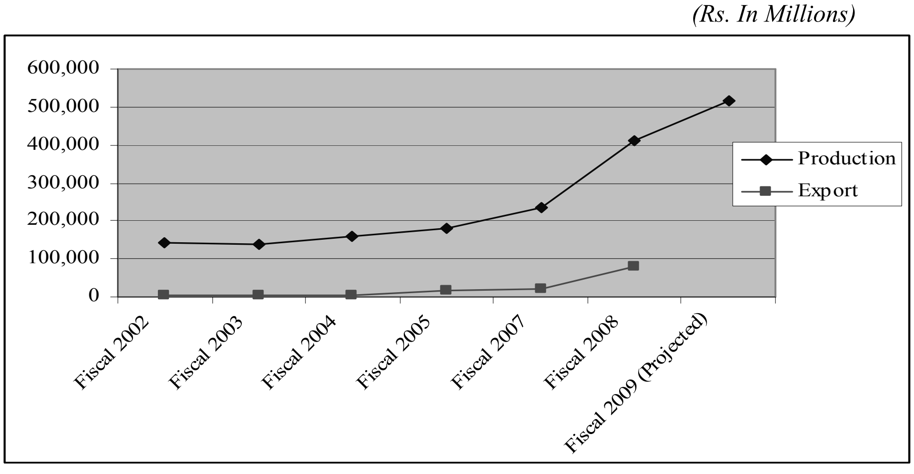
Further, with the aim to provide e-governance and data services to the rural masses, a proposal is being considered to provide support of broadband connectivity in rural and remote areas of the country in a phased manner. Under this scheme, 5,000 blocks are to be connected by wireless broadband and villages coming within a radius of 10 km of the taluk/block headquarters are to be covered by such connectivity. During 2009-10, the growth rate of rural telephones was 41.35% as against the growth of 26.59% of urban telephones. *(Source: Department of Telecommunications, Annual Report 2008-09)*

Telecommunications Infrastructure demand in India

The above period has also seen an increase in active and passive telecommunications infrastructure. For instance, total equipped switching capacity grew by 15.30% to 92.2 million subscribers in the year ended March 31, 2009. (*Source*: *Twelfth Annual Report of the Telecom Regulatory Authority of India, November 4, 2009.)*

During the twelve months ended March 31, 2008, the manufacture of wireless equipment including cellular mobile phones recorded a growth of 171.08 % to Rs. 286,000 million. During 2008-09, production of telecom equipment was expected to increase to Rs. 518,000 million. A graphical representation of the increase in the value of telecommunications equipment produced over the period 2002-03 to 2007-08 is indicated below:
(Source: DoT Brochure. URL http://www.dot.gov.in/osp/Brochure/Brochure.htm retrieved on March 8, 2010).

(Rs. In Millions)



(Source: DoT Brochure. URL http://www.dot.gov.in/osp/Brochure/Brochure.htm retrieved on March 8, 2010).

The rising demand for telecommunications equipment, particularly in the area of wireless telecommunications, has led to significant influx of domestic and international investors and manufacturers establishing or expanding their manufacturing base in India over the last four years accompanied by an influx of over USD 2 billion by way of FDI.

The performance of revenues from wire line equipment production decreased from Rs. 131,000 million to Rs 117,800 million in the twelve months ended March 31, 2008 and was further expected to fall to Rs. 94,500 million in the twelve months ended March 31, 2009.

However, production of optical fibre cables increased from Rs. 4,460 million in the twelve months ended March 31, 2007 to Rs. 5,340 million in the twelve months ended March 31, 2008 and is further expected to increase to Rs. 6,090 million in Fiscal 2009. *(Source: Department of Telecommunications, Annual Report 2008-09)*.

Telecommunications Infrastructure Sharing

Telecommunications infrastructure, particularly passive telecommunications infrastructure can be shared between access providers.

An April 2007, recommendation paper published by the TRAI on 'Infrastructure Sharing' analyzed the available passive and active telecommunications infrastructure in India and concluded that in order to provide 250 million telephones to subscribers by December 2007 and 500 million telephones by 2010, about 135,000 towers will be required by 2007 and 330,000 towers by 2010, as against 100,000 towers which existed at that time. (*Source*: *TRAI: Recommendations on Infrastructure Sharing, April 11, 2007*).

While noting that existing service providers were already sharing infrastructure selectively at their sites, TRAI has recommended that such sharing should be encouraged by legislative intervention. The trend towards sharing telecommunications infrastructure has grown in the wake of increasing capital costs caused by the global downturn. The emphasis in the passive infrastructure sector is moving towards increasing tenancy in existing telecommunications infrastructure rather than the creation of new infrastructure.

Overview of the Water and Waste Water Sector

The demand for our EPC Services in the water and waste water management sector is dependent on the demand for water and waste water treatment projects.

The global supply of freshwater is relatively fixed, and unevenly distributed. Total global water reserves are estimated to be 1.4 billion cubic kilometers, of which nearly 97.5% is salt water in oceans, and the balance 2.5% forms the available fresh water reserves. Groundwater and surface water, which together constitute approximately 0.76% of the total water on the planet are the most easily accessible and used sources of water. The rest of the fresh water is either locked up in the form of glaciers and permanent snow cover, or is inaccessible to humans. (*Source: World Water Development Report 2: Water, A Shared Responsibility, 2006*)

India with 2.4% of the world's total area has 16% of the world's population; but has only 4% of the total available fresh water. In India, per capita fresh water availability has dropped from 4000 m3/year in 1962 to 1647 m3/ year in 2007 (*Source: Food & Agriculture Organization of the United Nations http://www. fao.org /nr/ water /aquastat /dbase/index.stm*). India's water availability status is as follows:

No.	**Items**		**Quantity (cu.km)**
1.	Annual Precipitation (Including snowfall)		4,000
2.	Average Annual Availability		1,869
3.	Per Capita Water Availability (2001) in cubic meter		1,820
4.	Estimated Utilizable Water Resources		1,123
	(i) Surface Water Resources	690 Cu.Km.	
	(ii) Ground Water Resources	433 Cu.K m.	

(Source: http://wrmin.nic.in) accessed on March 24, 2010.

The world's population is growing by about 80 million people a year, implying increased freshwater demand of about 64 billion cubic metres a year. (*Source: Water in a Changing World, UN World Water Development Report, 2009 accessed from http://www.unesco.org/water/wwap/wwdr/wwdr3/pdf/12_WWDR3_ch_2.pdf on March 24, 2010*).

The responses to increased competition for water are (a) supply augmentation, (b) conservation and (c) reallocation. The most conventional response is to develop new resources through development of new reservoirs or desalinationplants or inter-basin transfer. Inter-basin transfer involves constructing huge infrastructure to transport water from one basin to another requiring large investment, but it is uneconomical in most cases in terms of return on investment. Desalination, an emerging sub-segment of which was very expensive until few years back, is increasingly becoming affordable as a result of technology improvements. So far it is used mostly for drinking water (24%) and industrial supplies (9%) in countries that have reached limits of their renewable water resources. Desalination accounted for only 0.4% of water use in 2004 (nearly 14 cu km p.a.) but production is expected to double by 2025. Other nonconventional sources of water supply include treated wastewater, secondary sources such as treated irrigation drainage and mining of fossil aquifers. Conservation on the other hand involves increasing efficiency of usage by reducing losses while changes in allocation are based on economic and sociopolitical conditions. (*Source: World Water Development Report 3: Water in a changing world, 2009*)

Traditionally, there has been very little focus by various governments on improving water infrastructure which has created a significant backlog of investment in the sector. The water sector has been plagued by lack of political support, poor governance, under-resourcing and underinvestment. These ills are manifested in non-transparency, lack of accountability, unsustainable economics, high levels of unaccounted for water and low revenue collection. *(Source: Water in a Changing World, UN World Water Development Report, 2009 accessed from http://www.unesco.org/water/wwap/wwdr/wwdr3/pdf/12_WWDR3_ch_2.pdf on March 24, 2010).*

Traditionally, water utilities are government owned and controlled, but due to the capital intensive nature of the industry, along with the aforesaid lack of investment, coupled with inadequate funding sources, private participation in the water and waste water sector is increasing.

Of the total wastewater generated in the metropolitan cities, barely 30 per cent is treated before disposal. Thus, untreated water finds its way into water systems such as rivers, lakes, groundwater and coastal waters, causing serious water pollution. *(Source: The Eleventh Five Year Plan documents.)*

The GoI has allowed 100% foreign direct investment in the infrastructure sector including water treatment system. Private participation in water engineering as a whole and the water treatment segment in particular is expected to witness a significant boost in the future. In accordance with the recommendations of the Rakesh Mohan Committee on Infrastructure, private participation in the Indian water sector is increasingly being encouraged via two modes:

1. Privatization through either BOOT projects or management contracts: This is particularly popular in industrial and urban water supply related undertakings. The government has also started subcontracting Operation and Maintenance of existing water and wastewater treatment plants to private operators given the economies in terms of fixed costs.

2. Infrastructure reforms with incentives for private participation: The recent indirect fiscal benefits such as zero customs duty and zero excise duty, announced by the Government to bring down capital costs related to infrastructure projects are steps in that direction

Oil and Gas Pipelines

Given that India is a net importer of almost all forms of energy, finding a suitable mechanism to meet India's oil requirements is imperative.

Pursuant to discoveries of over 700 bcm[3] in the last decade in India, and the discovery of over 660 mmt[2] of oil and gas pursuant to the NELP exploration grants alone, the need for cost effective and efficient distribution mechanisms has come to the fore.

The installation of oil and gas pipelines offers a faster, more predictable and cheaper way to transport oil and gas than conventional railway or road based transportation.

With the objective of enhancing private sector participation in the pipeline sector, the Government of India has created an authority to regulate all non production activities in the oil and gas sectors. It has also promulgated a policy for development of natural gas pipelines and city or local natural gas distribution networks. Investment in gas pipelines has been classified as infrastructure investment in order to provide incentives to developers.

Communications and Technology

Our communications and technology division has two sub-segments: telecom equipment and defence equipment. We have a research and development department that supports both businesses.

Demand for our active telecommunications infrastructure is driven primarily by the growth and upgradation of existing active telecommunications infrastructure. For an overview of this growth and key reasons driving the same, please see "Our Industry - Telecommunications Infrastructure demand in India" above on page 70 of this Draft Red Herring Prospectus.

Demand for our defense equipment is driven primarily by growth in demand for defense telecommunications products and technologies.

Overview of the Defence Sector

Since India's first defence budget for 1950-51 of Rs. 1.61 billion, spending has grown to Rs. 1,420 billion in 2009-10. The current announced budget refers to a significant increase of 35% in the overall spending, placing India amongst the top ten spenders on defence worldwide. The Government, as the sole purchaser of defence equipment, spends heavily with defence expenditure accounting for close to 15% of the Central Government expenditure.

Defence has for a long time been a part of the public sector since it requires large investments and substantial research and development support.

India opened up its defence industry to the private sector in May 2001. The policy decision of May 2001 allowed 100 per cent private participation in defence production, subject to licensing.

Defence procurement in India is currently governed by the Defence Procurement Procedure ("DPP"), 2008 (governing mainly procurement of capital assets) and the Defence Procurement Manual, 2009(governing mainly procurement of revenue assets).

Under the DPP, 2008, capital acquisitions are categorized as under: -

(a) **'Buy' Decision.** Buy would mean an outright purchase of equipment. Based on the source of procurement, this category would be classified as Buy (Indian) and Buy (Global). Indian would mean Indian vendors only and Global would mean foreign as well as Indian vendors. Buy Indianmust have minimum 30 % indigenous content if the systems are being integrated by an Indian vendor.
(b) **Acquisitions covered under the 'buy & make' decision** would mean purchase from a foreign vendor followed by licensed production / indigenous manufacture in the country.
(c) **Acquisitions covered under the 'make' decision** would include high technology complex systems to be designed, developed and produced indigenously.

Under a 2009 amendment to the DPP, 2008, the Ministry of Defense has included an additional category into the above, i.e. the category "Buy and Make (Indian)"

(d) **Acquisitions covered under the .Buy & Make (Indian)** decision would mean purchase from an Indian vendor including an Indian company forming joint venture / establishing production arrangement with OEM followed by licensed production / indigenous manufacture in the country. .Buy & Make (Indian) must have minimum 50 % indigenous content on cost basis.

In cases categorized as Buy and Make (Indian), RFPs and hence the opportunity to participate will only be issued to Indian vendors, who are assessed to have requisite technical and financial capabilities to undertake such projects.

Offset Policy

These offset provisions of the DPP, 2008 apply to all capital acquisitions categorized as 'Buy (Global)' or 'Buy and Make with Transfer of Technology' followed by Licensed Production, where the estimated cost of the acquisition proposal is Rs. 3 billion or more.

Under the offset rules, a uniform offset of 30% of the estimated cost of the acquisition in 'Buy (Global)' Category acquisitions and 30% of the foreign exchange component in 'Buy and Make' category acquisitions will be the minimum required value of the offset. A higher offset percentage can be prescribed under certain circumstances.

This offset obligation can be discharged by

A. Direct purchase of or executing export orders for, defence products and components manufactured by, or services provided by, Indian defence industries, i.e., Defence Public Sector Undertakings, the Ordnance Factory Board and private defence industry.
B. Direct foreign investment in Indian defence industries for industrial infrastructure for services, co-development, joint ventures and co-production of defence products and components.
C. Direct foreign investment in Indian organisations engaged in research in defence R & D as certified by Defence Offset Facilitation Agency (DOFA).

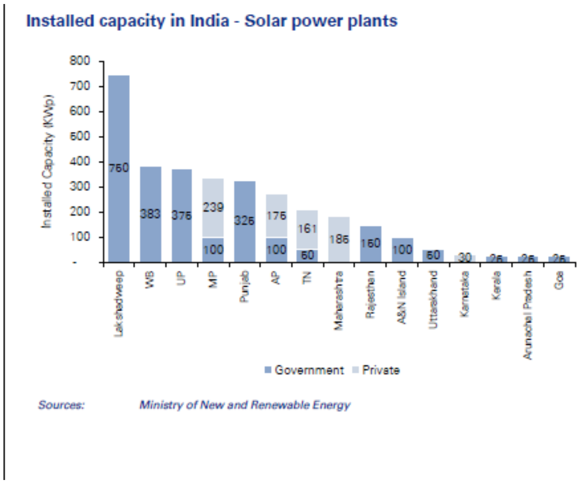
Offset can be created in advance by international suppliers under the DPP and banked as offset credits.

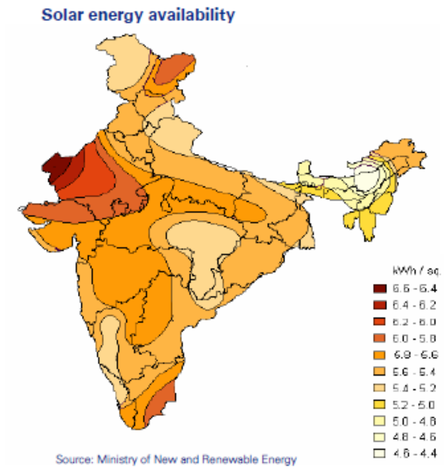
Solar Power Generation

Demand for our solar photovoltaic modules ("SPV") and turnkey solar energy solutions is dependent on the demand for them arising out of new solar power installations.

India receives solar energy equivalent to over 5,000 trillion kWh per year. The daily average solar energy incident varies from four to seven kWh per square meter depending upon the location. The annual average global solar radiation on horizontal surface, incident over India is about 5.5 kWh per square meter per day. There are about 300 clear sunny days in most parts of the country. (*Source: http://mnes.nic.in/spv-intro.htm accessed on March 20, 2010*.)

SPV technology enables direct conversion of sunlight into electricity. SPV systems have emerged as viable power sources for various applications such as lighting, water pumping, traffic signals, telecommunications as well as stand-alone and grid connected power generation. They are increasingly being used to meet the electrical energy needs especially in hilly areas, forest regions, deserts, islands, far flung villages, unmanned locations and other areas which require reliable and uninterrupted power supply. The Indian SPV programme for decentralized applications of photovoltaic technology areas is one of the leading programmes in the world. (*Source: Ministry of New and Renewable Energy, Annual Report, Accessed from www.mnes.nic.in on March 9, 2010*)





A total of 16,769 solar street lights, 863 solar lanterns and stand-alone power plants aggregating 3.12 MW have been allocated under various schemes of the Ministry of New and Renewable Energy and 50,904 solar home lighting systems, 7,391 street lighting systems, 41,397 solar lanterns, 56 solar pumps and 300 kWp capacity of solar power plants have been installed. (*Source: Ministry of New and Renewable Energy, Annual Report, Accessed from* www.mnes.nic.in *on March 9, 2010*)

With an object to further enhancing the growth of solar power in India, the Government has approved the "Jawaharlal Nehru National Solar Mission" (the "**JNNUSM**") on November 19, 2009.

The JNNUSM aims to use a combination of policy frameworks, discounted tariffs, and funding to significantly enhance India's existing solar power generation and usage capabilities. (*Source:The Jawaharlal Nehru National Solar Mission; available at mnes.nic.in/pdf/mission-document-JNNSM.pdf as on March 9, 2010.*)

Under the Eleventh Five Year Plan, five programmes have been proposed in the renewable energy sector. These include:

1. Grid-Interactive and Distributed Renewable Power;
2. Renewable Energy for Rural Applications;
3. Renewable Energy for Urban, Industrial & Commercial Applications;
4. Research, Design & Development for New & Renewable Energy; and
5. Supporting Programmes.

Deployment activity is proposed to be carried out through three Programmes, namely, Grid-Interactive and Distributed Renewable Power; Renewable Energy for Rural Applications; and Renewable Energy for Urban, Industrial & Commercial Applications. Distributed renewable power would include that for captive use in industry. All research design and development activity is also proposed to be brought under a single umbrella programme. This activity is sought to be made product development oriented, with industry as lead partner and with clear well defined outcomes. Deployment and development activities are sought to be given a multiplier effect through supporting programmes.

Deployment activity is further sought to be made market driven, as suggested in IEPR and subsidies are not proposed for inducing a supply driven approach. Further, as also suggested in IEPR, it is proposed to make use of subsidies to focus on desired outcomes through removal of barriers, while at the same ensuring that outlays are strongly correlated with outcomes.

A physical target of 15,000 MW is proposed for grid interactive and distributed/ decentralised renewable power generation installed capacity for the Eleventh Five Year Plan of which solar power is expected to account for 50 MW. (*Source: Ministry of New and Renewable Energy*)

BUSINESS

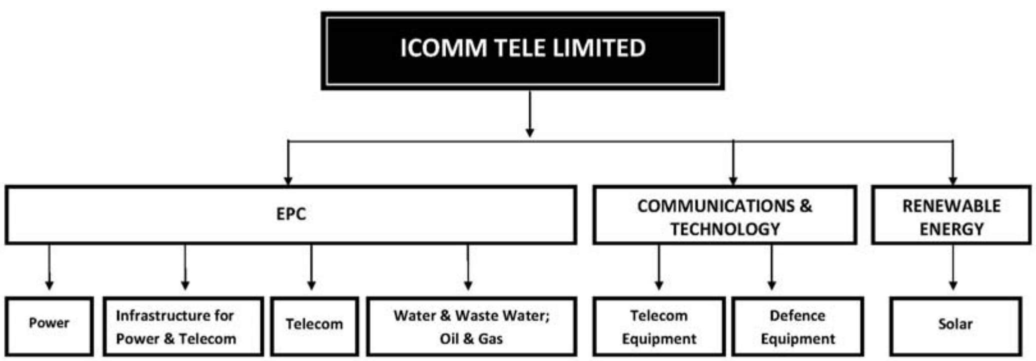
Overview

We are primarily an engineering, procurement and construction ("EPC") company which is dedicated to providing comprehensive infrastructure solutions, primarily in the telecom, power and water and waste water sectors. We believe we distinguish ourselves by having state-of-the-art manufacturing facilities and a dedicated R&D department committed to providing innovative solutions to our clients. We started our operations in 1989 and have over two decades of experience in providing integrated design, manufacturing, testing, installation and commissioning services of telecom infrastructure to telecom operators and over a decade of experience in constructing power transmission lines and distribution networks on the same basis. In 2008, we diversified our EPC business into the water and waste water sector and have starting bidding for EPC contracts in the oil and gas sector. We have completed EPC projects in various states across India and in ten other countries in Asia, the Middle East and Africa.

Since our incorporation, we have been designing, developing, manufacturing, installing and commissioning communications equipment for telecom operators and as a result of our increased focus on our R&D, we expanded to do this for India's defence sector. In 2007, we began manufacturing solar photovoltaic modules and providing turnkey solar energy solutions.

We are headquartered in Hyderabad, India and have offices in Sri Lanka and Nepal. Additionally, we lease 85 properties (excluding our registered office and our manufacturing facilities) over 18 states in India which we utilise for our offices, guest houses and stores under different lease deeds/rental arrangements. We own and operate one manufacturing facility in Hyderabad which is spread across 80 acres, and three other manufacturing facilities in India spread across 15 acres cumulatively, where we manufacture products for the power transmission and distribution, telecom, defence and solar sectors. As at February 28, 2010, we employed 1,929 full-time employees at our various locations.

Our operations are organized into three business divisions: EPC, Communications and Technology and Renewable Energy. The chart below summarises our business:



As at February 28, 2010, our firm order book (backlog) was Rs. 16,144.59 million, the breakdown of which is as follows:

Business Segment	**Order Book (Rs. in million)**
EPC:	
Power	6,319.13
Infrastructure for Power & Telecom	4,900.65
Telecom	207.11
Water & Waste Water	3,901.56

Business Segment	Order Book (Rs. in million)
Communications & Technology	693.04
Renewable Energy	123.10

In addition, since February 28, 2010, we have been awarded three transaction contracts where our scope is to supply towers and cumulative value of the same is Rs. 2,107.00 million.

Apart from the orders mentioned above, we have also received Advance Purchase Orders from BSNL for WiMax equipments with an outstanding value of Rs. 4,940.13 million.

EPC

We have four EPC segments: Power, Infrastructure for Power & Telecom, Telecom and Other (Water & Waste Water and Oil & Gas).

EPC Power

Our EPC Power segment has two sub-segments: EPC power transmission and EPC power distribution.

In our EPC power transmission business, we currently design, engineer and procure the materials for the construction of up to 765kV power transmission lines. We have the ability to design, engineer and construct transmission lines for up to 1,200kV and substations up to 765kV. Our EPC power transmission solutions and services range from soil and topography surveys, to planning, designing and engineering and execution of transmission lines and project management and support. We are currently undertaking work on projects totaling approximately 680 kms of power transmission lines of 220kV/400kV/765kV in India and Nepal, which includes 165 kms of transmission lines of 400kV for the A1-Mundra-Surajbari section of the Mundra-Limbdi transmission line project, 148 kms of transmission lines of 400kV D/C (triple Bundle) for the Surajbari-Limbdi section of the Mundra-Limbdi transmission line, 165 kms of transmission lines of 400KV D/C (Triple Snowbird) for the Mundra-Surajbari part of the Mundra-Jetpur Transmission Line under the Transmission system associated with Mundra UMPP (Scheme-1) in the State of Gujarat, 130 kms of transmission lines of 765kV for the Sasan-Silwar part of the Sasan - Satna Transmission Line project in the State of Madhya Pradesh and 72 kms of transmission lines of 220kV for the Hetauda-Bharatpur project in the country of Nepal. We believe the award of these projects to us has enhanced our reputation as a significant player in the power transmission sector. Our EPC power transmission business segment's major customers include: Power Grid Corporation of India Limited ("PGCIL"); Nepal Electricity Authority and certain state electricity boards.

In our EPC power distribution business we design, engineer and procure the materials for and construct electricity distribution networks. We have constructed 33/11kV substations, converted low tension networks into high voltage distribution systems, constructed high tension and low tension lines, erected poles and provided electricity service connections in villages. We have been awarded 19 contracts in connection with the electrification of more than 21,000 villages, out of which we have completed the work for 5,273 villages. As at February 28, 2010, we had constructed 2,644 km of low tension lines and installed 23,744 transformers of 16/25Kva. Our EPC power distribution business segment's major customers include PGCIL and Southern Power Distribution Company of A.P. Limited ("APSPDCL").

EPC Infrastructure for Power & Telecom

We design, engineer and manufacture power transmission towers, telecom towers, shelters for defence and telecom applications and custom-designed special steel structures, including wind mill towers, television and radio towers. We manufacture these towers at our ISO 9001:2000 certified facility in Hyderabad, which has an annual production capacity of 250,000 MTs (*Source: Acknowledgement, dated March 23, 2010, from the Secretariat for Industrial Assistance, Public Relation & Compliance Section, Ministry of Commerce & Industry, Government of India*). As at February 28, 2010, we had delivered approximately 365,575 MTs of tower supplies and were engaged to manufacture approximately 100,000 MTs of tower supplies for power transmission and telecom projects. We also manufacture associated steel line items and transformers of different voltage rating including 10kVA, 16kVA and 25kVA for our EPC power distribution projects. As at February 28, 2010, we had manufactured and supplied approximately 23,500 of 16/25Kva transformers. Our manufacturing facility at Hyderabad produces conductors for power transmission lines and distribution lines. We also manufacture Aerial Bunch cables in the same facility.

Through our supply agreements with Isitva Steel Private Limited, a Group Company, for mild steel and high tensile angles, and Isitva Fasteners Private Limited, a Group Company, for fasteners (nuts and bolts), both of which expire on March 31, 2012, we have effective backward integration for the production of power transmission towers and telecom towers as both of these companies have agreed to offer us the right of first refusal to purchase all of their production on a most favoured customer basis.

Our major customers for our infrastructure for power and telecom business include: PGCIL; Bharat Sanchar Nigam Limited ("BSNL"); Aircel Limited; Vodafone Essar Limited; Quippo Telecom Infrastructure Limited; and Emerson Network Power Limited. We have also supplied telecom towers and shelters to telecom operators in the Middle East and Africa. Our major customers for shelters are telecom operators (including BSNL, Vodafone Essar Limited, India Telecom Infra Limited, Indus Towers Limited, Bharti Infratel Limited, Hayat Communications Co., KSC India Equipments Limited and Kuwait Network Electronic Technology Co. W.L.L (Knetco)) and a Ministry of Defence company. Most of the production by our EPC infrastructure for power and telecom business is used in projects undertaken by our EPC power business and EPC telecom business.

EPC Telecom

We provide passive telecom turnkey solutions for fixed, mobile and data telecom operators. We provide EPC services for base transceiver station sites on a turnkey basis, which includes the designing, engineering, procurement and erection of telecom towers, telecom shelters and related passive equipment, such as diesel generator sets, switch mode power supplies, batteries and air conditioners. We also provide operation and maintenance services for base transceiver station sites. We lease 85 properties (excluding our registered office and our manufacturing facilities) over 18 states in India which we utilise for our offices, guest houses and stores under different lease deeds/rental arrangements and employ approximately 90 service engineers (as at February 28, 2010). We also have an office for this business in Sri Lanka and in Nepal. Our major customers for this business are Aircel Limited, Bharti Infratel Limited, Indus Towers Limited and ZTE Telecom India Private Limited.

EPC Water and Waste Water

In our EPC water and waste water business we lay water pipelines for the supply of drinking water and industrial water and construct underground drainage systems, sewage treatment plants and water transmission and distribution systems. We have an ability to offer services in planning, designing and constructing of water treatment plants, water transmission and distribution systems, elevated reservoirs and ground level service reservoirs, sewage treatment plants and underground drainages. Our major customers for our EPC water and waste water business include certain state water supply and sewerage boards.

EPC Oil and Gas

We have begun to bid for EPC contracts in the oil and gas sectors, and we currently have two tenders being considered by potential clients, including for Indian Oil Corporation Limited (Pipe Lines Division). Our plan is to focus on constructing cross-country underground pipelines for the transportation of oil and natural gas, for refineries, petrochemicals and chemical plants on a turnkey basis. We have entered into a Memorandum of Understanding with JSC Podvodtruboprovodstroy, a Russian company ("PTPS"), to jointly pre-qualify, tender and implement projects for the bid invited by Indian Oil Corporation Limited (Pipe Lines Division) to lay a cross country petroleum product pipeline from Viramgam to Churwa. Pursuant to this agreement, PTPS will provide all technical qualification documents for tendering and special services, and we will be responsible for execution of the project, including procuring the required equipment and manpower. If we win this contract all profit from this project will accrue to us, but we will indemnify PTPS for any loss or liability.

Communications and Technology

Our communications and technology division has two sub-segments: telecom equipment and defence equipment.

Telecom Equipment

We provide telecom equipment on a turnkey basis such as WiMax equipment, managed leased line network equipment, CDMA equipment and lawful interception equipment. We also supply other active telecom equipment such as CDMA phones, SDH equipment, Gigabit Ethernet passive optical network ("GEPON") equipment, solid state power amplifiers equipment and antennas. Our telecom equipment business is driven by contracts awarded by BSNL and Mahanagar Telephone Nigam Limited ("MTNL"), who are our major customers. We generally import telecom equipment in parts from suppliers such as Aviat Networks, Verint Systems Inc., ST Electronics (Satcom and Sensor Systems) Pte. Limited and UTStarcom India Telecom Pvt. Ltd. and assemble it with locally procured accessories and/or items produced in-house at our manufacturing facilities in Hyderabad, Andhra Pradesh and Yanam, Puducherry. We believe our value addition plays a critical role in winning contracts from BSNL and MTNL, as both have elaborate and stringent product evaluation and acceptance procedures and we possess the required infrastructure and skilled personnel to address these requirements. We also provide long term post-sales service support for our products.

Defence Equipment

We design, develop, prototype, test and manufacture a suite of telecom equipment and electronics for India's defence sector, including: frequency hopping point to point and point to multi-point radios. We are a registered vendor with eight laboratories of Defence Research and Development Organization ("DRDO") and four public sector undertakings associated with the Ministry of Defence, Government of India ("MoD"). We have received numerous awards and acknowledgements such as the "Excellence in Aerospace Indigenisation 2008" award from the Society of Indian Aerospace Technologies and Industries in February 2009 and Appreciation from Brahmos Aerospace in July 2007 for our significant contribution in meeting the target for handing over of the Brahmos Missile System to the Indian Army.

Renewable Energy

We manufacture solar photovoltaic modules and solar photovoltaic systems for cellular and fixed operators and other private sector and public utility customers. We offer solar energy products ranging from portable lighting systems, indoor home lighting systems and LED street lighting systems and have the ability to produce standalone power plants (up to 100kW) and grid interactive power plants (ranging from 10kW to 20MW). Our major customers for this business include BSNL, Non–Conventional Energy Development Corporation of Andhra Pradesh Limited and certain state nodal agencies.

For the 15 months ended September 30, 2009, our consolidated total income, as restated, was Rs. 9,015.12 million and our consolidated net profit attributable to shareholders, as restated, was Rs. 269.99 million.

Our Competitive Strengths

We believe our primary competitive strengths include the following:

We operate in diverse sectors and have a healthy order book

We provide EPC services in diverse sectors including telecom, power transmission & distribution and water & waste water. We also provide telecom and defence equipment and solar energy products and solutions. The wide range of our activities not only enables us to diversify our risks by reducing our dependence on any one sector, but also helps us leverage the experience gained in diverse sectors. We have a healthy order book of Rs. 16,144.59 million as at February 28, 2010, of which 39.14% relates to our EPC power businesses, 30.35% relates to our infrastructure for power and telecom business, 1.28% relates to our EPC telecom business, 24.17% relates to our EPC water and waste water business, 4.29%

relates to our communications and technology business and 0.76% relates to our renewable energy business.

We possess in-house design, engineering, manufacturing and construction capabilities

We have in-house design, engineering, manufacturing and construction capabilities, thereby allowing us to provide end-to-end solutions for our EPC projects. Through our agreements with Isitva Steel Private Limited, a Group Company, for mild steel and high tensile steel angles, and Isitva Fasteners Private Limited, a Group Company, for fasteners (nuts and bolts), which expire on March 31, 2012, we have effective backward integration for the production of power transmission towers and telecom towers as both of these companies have agreed to offer us the right of first refusal to purchase all of their production on a most favoured customer basis. Since we engage in bulk purchases of the principal raw materials (such as steel and cement) for our projects, we are usually able to obtain volume discounts from our suppliers. Our integrated operations help us to manage costs and maintain our profit margins. We believe we have a competitive edge in terms of price over most of our competitors due to our in-house manufacturing facilities for critical and high volume items required in EPC projects.

Long operating history with long standing customer relationships

We have been in business for more than 20 years and our major customers include Navratna companies such as PGCIL, MTNL and other leading companies such as BSNL, and other private entities and public sector undertakings, most of which have been our customers for more than five years, with BSNL being one of our first customers more than 20 years ago. We believe the quality of our products and services is demonstrated by the fact that all of these customers have given us repeat orders. We believe our long operating experience in the power, defence and telecom sectors helps us improves our execution efficiency and win new contracts.

We qualify for large EPC telecom and power transmission & distribution tenders

We are qualified to tender for large EPC projects in the power and telecom sectors due in part to our previous experience executing power and telecom projects. Presently, we have been awarded contracts for approximately 680 kms of 220kv/400Kv/765kV transmission projects in India and Nepal. We believe being awarded these contracts has enhanced our reputation as a significant player in the power transmission sector. We have also been awarded 10 contracts for system improvement project works involving the conversion of low tension networks into high voltage distribution systems, two of which have been completed. Additionally, we have been awarded 19 contracts in connection with the electrification of more than 21,000 villages out of which we have completed the work for 5,273 villages. We believe our experience in providing EPC services for power transmission and distribution attests to our credibility and allows us to satisfy one of the important criteria to pre-qualify for future projects, thereby improving our competitive position.

We possess state-of-the-art machinery for manufacturing and testing our products

We use computer numeric controlled machinery from Ficep Corporation, Italy, and galvanising kettles from Protherm UK Ltd., UK, for manufacturing towers at our manufacturing facility in Hyderabad, which has an annual production capacity of 250,000 MTs. This facility is spread across approximately 80 acres of land owned by us. We have an in-house facility to test on raw materials as well as certain finished goods to help ensure our products are of the highest standards.

We also operate three manufacturing facilities for the production of communication equipment, one of which uses state-of-the-art surface mounting technology machines manufactured by Universal Instruments Corporation, USA.

Pan-Indian presence

Though we are headquartered in Hyderabad, we lease 85 properties (excluding our registered office and our manufacturing facilities) over 18 states in India which we utilise for our offices, guest houses and stores under different lease deeds/rental arrangements. We believe the regular availability of project staff and customer support staff increases the comfort level of our clients. Moreover, the relative proximity to clients over extended periods of our engagement allows us to deliver our projects on time and provides our clients with better customer service, thereby establishing our reputation in the various sectors in which we operate.

Proven research and development capabilities

We have a research and development facility in Hyderabad equipped with design tools, test and measuring instruments and evaluation facilities. We have a dedicated team of approximately 90 employees in our research and development department (as at February 28, 2010). Our research and development department supports our telecom business and defence equipment business and it has been one of the key factors in the success of those businesses. This department enables us to minimise technology transfer related expenses and constraints. Our research and development activities allow us to develop products that lead to commercial contracts from reputed clients such as BSNL, MTNL and certain MoD defence undertakings.

We are an indigenous supplier to eight laboratories of DRDO and four public sector undertakings associated with the MoD

The Indian Government has passed laws that encourage indigenous suppliers of defence equipment for mission critical items. Therefore, our status as an indigenous supplier to eight laboratories of DRDO and four public sector undertakings associated with the MoD provides us a distinct advantage in competing with foreign suppliers.

We possess strong project management skills

We believe we have an established track record and reputation for efficient project management and execution skills, with trained and skilled labor, on-site decision-making abilities, efficiently deployed equipment and other resources. We have also established good working relationships with various sub-contractors who provide high-quality work across our various service regions. Such relationships facilitate deployment of human resources in situations where we are unable to provide the services on our own, thereby indirectly extending our execution capabilities. In addition, our organizational structure allows for on-site decision-making, so that our project managers can rapidly respond to changing demands and conditions throughout the life of a project.

We possess a significant qualified employee base and a strong management team with a proven track record

As at February 28, 2010, we employed a work force of approximately 1,929 full-time employees, of which approximately 22% were engineers and approximately 7.8% held engineering diplomas. The skills and diversity of our employees gives us the flexibility to respond quickly to the needs of our clients. We are dedicated to the development of the expertise and know-how of our employees and continue to invest in them to ensure that they have the training and skills necessary to succeed in today's challenging environment.

In addition, our key management personnel are well qualified and possesses an average industry experience of over 20 years.

Our Strategy

Our goal is to be known globally for our commitment to quality and innovation in all areas of our operations while upholding the norms of corporate social responsibility; thereby, providing world class solutions to our customers, profits for our shareholders and growth for our employees. We strive to achieve this goal by implementing the following key business strategies:

Diversified business model

We follow a diversified strategy for future growth and are currently focused on the following areas, which we believe have a high potential and where we believe we enjoy competitive advantage:

- Research, development and manufacturing of communication equipment and electronics products for India's defence sector and telecom operators;

- EPC opportunities in the power transmission sector, including for substations;
- EPC opportunities in water and waste water, oil and gas, solar energy and other infrastructure sectors;
- EPC opportunities in the emerging BOOT/BOOM projects in India for power transmission strengthening and evacuation systems;
- Expanding our client base for our EPC service to include railway operators; and
- Operation and maintenance and turnkey construction of CDMA, GSM, 3G and WiMax base stations.

We believe that the above strategy will mitigate our risks by reducing our reliance on the growth of any one industry and provides us with diverse growth opportunities.

Expanding into international markets that fit within our strategic vision

We have been engaged by a total of ten international clients in Africa, Asia and the Middle East. We plan to expand our power transmission, EPC telecom and solar energy businesses in these regions, where we believe we can benefit from our cost and operational advantages. In addition, we plan to expand our solar energy business to Europe and the United States. We plan to invest Rs. 214.22 million from the Net Proceeds in order to set up a world class tower testing facility in Hyderabad, which will enhance our ability to obtain larger orders for power transmission projects in overseas markets. For further details, see "Objects of the Issue" on page 39 of the Draft Red Herring Prospectus.

Take advantage of our research and development capabilities to grow our communications and technology business for the telecom and defence sectors

We are committed to continuing our research and development activities as we seek to constantly innovate and improve our telecom and defence products. Our research and development activities have led to the indigenous development of numerous products, including, frequency hopping point to point and point to multi-point radios, and WiMax customer premises equipment, and we believe that by persisting in our research and development efforts we will continue to enhance our product portfolio in the telecom and defence sectors. Therefore, we intend to invest Rs. 96.10 million from the Net Proceeds to purchase testing and development equipment in order to further strengthen our research and development capabilities. We intend to capitalize on the fact that the Indian Defence Procurement Policy requires that the procurement of 30% of all potential imports of defence equipment be sourced from Indian companies. This puts us at a distinct advantage as we are one of a small number of Indian companies who develop indigenous defence products. For details, see "Industry-Overview of the Defence Sector" on page 73 of the Draft Red Herring Prospectus. We have obtained the necessary licenses in order for us to participate in this opportunity.

Build telecom networks using 3G and WiMax

The allocation of 3G and WiMax spectrum by the Indian Department of Telecom, which is expected by September 2010, will result in increased investment in next generation networks to carry increased data and voice traffic. We believe our experience in building high-bandwidth managed leased line networks for MTNL in Mumbai and Delhi and our current work on building a 16e-WiMax network for BSNL in the Kerala circle will enable us to capitalize on this opportunity and win more projects in this area.

Focus on an integrated product delivery approach

We provide turnkey project execution in our telecom, power and other infrastructure businesses, which enables us to increase the value of our project offerings. Due to our integrated operational capabilities, we are able to offer clients services that include the development, design, manufacture, supply, installation and servicing of our projects. We believe that offering complete turkey project management increases the value of our offering and our competitiveness against companies that do not possess fully integrated operations.

Capitalize on growing demand for power infrastructure in India

According to the Indian Ministry of Power's "Power to All" by 2012 plan, the Indian Government plans to invest Rs. 4,000 billion on the generation, transmission and distribution of power. Specifically, the Government is planning to add generation capacities of 78,557MW and 82,200MW during its 11th and 12th five year plans. We believe that we are well positioned to compete for projects given our experience and turnkey EPC capabilities, and will continue to pursue opportunities to expand our presence in this industry.

Continue to focus on our EPC telecom business

Telecom operators and tower leasing companies have adopted a turnkey sourcing model for constructing base transceiver station site passive infrastructure. We believe we have a clear advantage in implementing the turnkey model over many of our competitors for the following reasons:

- Tower and shelters are considered critical and high value items in a base transceiver station site. Since we manufacture them ourselves, we can not only maintain the quality of the product and ensure timely delivery, but also have better control over the entire process by not relying on a third party for such project critical items.
- In offering turnkey solutions, client service often ends up being another critical item. Given our pan-India presence, it is likely we will be in close proximity to the client, which will enable us to readily respond to their concerns and provide more efficient customer service.

We intend to capitalize on these strengths and further consolidate our EPC telecom business. We also plan to expand our EPC telecom business in the Middle East and Africa.

Expand our EPC business in the water & waste water and the oil & gas sectors

The Government of India, grant-in-aid agencies such as Department for International Development United Kingdom and funding agencies like World Bank, Asian Development Bank and others have begun to focus on upgrading India’s infrastructure facilities for drinking water and underground sewerage that directly or indirectly contribute to the control/reduction of pollution. An increasing number of projects have been approved and initiated throughout India by local bodies of the States concerned. We believe there is a strong potential for the growth in the water infrastructure sector in India, given this focus on upgrading India’s infrastructure. We have begun to establish our position in the water infrastructure sector and our order book for water and waste water projects was Rs. 3,901.56 million as at February 28, 2010, the contracts for which are funded by the World Bank. We intend to capitalize on our experience and continue building on our expertise and execution capabilities in this sector by developing and using resource efficient designs and methods to expand our execution capabilities. We also intend to expand our geographic presence in this sector throughout various Indian states.

Most of the work in the water and waste water and oil and gas sectors is won on a competitive bidding basis and, in most cases, the client is a government entity. When a client requires specific eligibility requirements for these projects, such as project experience, engineering capabilities, technical know-how, and financial resources, we may enter into project-specific joint ventures or memorandums of understanding, such as our memorandum of understanding with PTPS, with other companies to meet these requirements and further enhance our credentials.
We intend to invest Rs. 100 million from the Net Proceeds of this Issue towards purchasing machinery, including excavation equipment, pipe layers/side booms and other related equipment. For details, see “Objects of the Issue” on page 39 of the Draft Red Herring Prospectus. We believe this investment will allow us to expand the operations of our EPC oil and gas business and improve our ability to bid for pipeline construction projects in the future.

Expand our renewable energy business

Increased global awareness of green energy and energy demand has prompted Indian Governmental agencies and private organisations to pursue renewable energy sources with greater intensity in recent years. The Government of India launched the Jawaharlal Nehru National Solar Mission in 2009, which is a major initiative to significantly enhance India’s existing solar power generation and usage capabilities. The Mission has set a target of physical target of 15,000 MW of grid interactive and distributed/ decentralised renewable power generation installed capacity for the Eleventh Five Year Plan, of which solar power is expected to account for 50 MW. Other government policies should also result in growth in this sector. For more information, see "Industry-Solar Power Generation" on page 74 of the Draft Red Herring Prospectus.

In order to increase our presence in this growing industry, we intend to invest Rs. 150.00 million from the Net Proceeds to further automate the production line at our solar-photovoltaic module and solar product manufacturing facility in Hyderabad. We believe this will increase the maximum capacity of our production lines to 80MW per annum as well as further improve quality.

In order to be eligible to sell solar modules and solar products in the United States, we are planning to submit our solar modules to United Laboratories, USA for certification. Similarly for Europe, we are planning to submit our solar modules to the International Electrotechnical Commission (IEC) for certification.

Leverage an increased balance sheet to tender for more and larger projects

Our business is working capital intensive, and although we currently have sufficient internal accruals to meet our existing working capital requirements, we plan to invest Rs. 805.20 million from the Net Proceeds of this Issue to expand our long-term working capital. We believe that that increased long-term working capital will improve our ability to bid for more and larger projects. This increased ability will enable us to implement our business segment-specific strategies set forth above.

Selective bidding with a focus on effective project management

We seek to bid on projects in our business areas on a selective basis. We have developed an experienced bidding team, and conduct extensive due diligence on project-specific, client-specific and country-specific risks and uncertainties. We endeavor to factor such risks and uncertainties into our bids and EPC contracts to manage and allocate risks and uncertainties in a manner that reduces our financial exposure.

We believe we have developed a reputation for undertaking challenging construction projects and completing projects on schedule and budget. We intend to continue to focus on performance and effective project management in order to maximize client satisfaction and margins. Our pan-Indian experience enables our engineering teams to incorporate best practices from different geographic regions. We leverage our designs and project management tools to increase productivity and maximize asset utilization in capital-intensive construction activities. Through our research and development of new products, we continue to optimize operating and overhead costs to maximize our operating margins. In addition, to facilitate decision making and to deliver satisfactorily on commitments to our clients, we intend to continue to strengthen the information and communications technology infrastructure for our operations.

Prudent management of financial resources and receivables

Infrastructure construction is a capital-intensive activity in a highly competitive industry. Therefore, we believe that the optimal utilization of financial and other resources is a key element for achieving success in this industry. Our strategy is to focus on our capital utilization and structure, so as to optimize our results. We also actively engage in the analysis and identification of projects which we believe will maximize our profits, and accord priority to such projects.

Accordingly, we seek to enter into contracts with counterparties who have high credit ratings and/or strong balance sheets, such as PGCIL, select Indian oil and gas companies and select EPC contractors, and with cash-rich entities, and for projects with appropriate payment security mechanisms, such as with Indian state-owned transmission or distribution utilities or infrastructure companies with funding arrangements from the Rural Electrification Corporation, the Power Finance Corporation, the Indian Ministry of Power or other entities or state agencies and authorities. We also intend to bid for EPC contracts for projects that are funded by multilateral agencies, including the World Bank, Asian Development Bank, African Development Bank, European Bank of Reconstruction and Development and Japan Bank for International Cooperation.

We believe the advantage of bidding for projects which have guaranteed funding by such companies or agencies is that these parties often closely monitor the progress of the project, and as such generally ensure timely payment to the contracting parties, which reduces the risks associated with delays or inabilities to collect in case of changes in governments or their policies. We intend to continue to bid for future projects taking into consideration various factors, including the credit-worthiness and funding arrangements of the clients and the source of funding of projects.

EPC Power

Our EPC power business has two sub-segments: EPC power transmission and EPC power distribution.

EPC Power Transmission

In our EPC power transmission business, we currently design, engineer and procure the materials for the construction of up to 765kV power transmission lines. We have the ability to design, engineer and construct transmission lines for up to 1,200kV and substations up to 765kV. Our EPC power transmission solutions and services range from soil and topography surveys, to planning, designing and engineering and execution of transmission lines and project management and support. We are currently undertaking work on projects totaling approximately 680 kms of power transmission lines of 220kV/400kV/765kV in India and Nepal, which includes 165 kms of transmission lines of 400kV for the A1-Mundra-Surajbari section of the Mundra-Limbdi transmission line project, 148 kms of transmission lines of 400kV D/C (triple Bundle) for the Surajbari-Limbdi section of the Mundra-Limbdi transmission line, 165 kms of transmission lines of 400KV D/C (Triple Snowbird) for the Mundra-Surajbari part of the Mundra-Jetpur Transmission Line under the Transmission system associated with Mundra UMPP (Scheme-1) in the State of Gujarat, 130 kms of transmission lines of 765kV for the Sasan-Silwar part of the Sasan - Satna Transmission Line project in the State of Madhya Pradesh and 72 kms of transmission lines of 220kV for the Hetauda-Bharatpur project in the country of Nepal. We believe the award of these projects to us has enhanced our reputation as a significant player in the power transmission sector. Our EPC power transmission business segment's major customers include: PGCIL, Nepal Electricity Authority and certain state electricity boards.

Our EPC power transmission solutions and services range from soil and topography surveys, to planning, designing and engineering and execution of transmission lines and project management and support. These services include:

Design and Engineering Services

We design and engineer transmission towers up to 765kV customized for terrain conditions, atmospheric conditions and soil type. We have design engineers who have access to three-dimensional drafting and design & analysis software such as PLS-TOWER, PLS CADD and iTOWER. We use these software to:

- optimize the use of mild and high tensile steel to enable weight and volume efficiency for maximizing cost savings;
- generate three-dimensional drawings for fabrication and shop sketches to be used to manufacture towers;
- design foundations; and
- develop sag templates and generate sag tension charts for the cables we install.

Our engineering team is equipped to handle domestic and international projects that conform to international design specifications/codes, including those of Indian Standard, Import Export Code of India, American Society of Civil Engineers and British Standard. Our engineering capabilities include:

- optimization of designs considering safety factors;
- preparation of structural assembly, erection drawings, shop floor drawings and as-built drawings;
- estimation of weights and volumes at the project bidding stage;
- structural behaviour review and remedial measures at test bed during testing; and
- site survey and line profile, tower spotting and sag templates.

As a result of our design and engineering expertise, we believe we are able to provide clients with optimally designed towers, which are cost effective and meet given specifications.

Tower Testing and Research and Development Services

Testing of power transmission towers is critical to ensure that towers meet the desired performance criteria. To test a tower, it is erected on the test bed and loads are applied at various points of the tower by means of electrically driven wire ropes and pulley blocks. Currently, we outsource the testing of our towers to the Central Power Research Institute, Bangalore. However, we are planning to build a full-scale proto-type tower-testing facility in Hyderabad. This proposed facility will have the capacity to test up to 800kV towers of 80 metres height and maximum base width of 28 metres × 28 metres. Our proposed testing facilities will also be equipped with a spectrometer, a universal testing machine, an impact testing machine, a hardness testing machine and an anemonometer (a device for measuring wind speed). For more information about our proposed tower testing facility, see "Objects of the Issue" beginning on page 39 of the Draft Red Herring Prospectus.

Procurement of Tower Parts and Conductors

Our EPC infrastructure for power and telecom division manufactures tower parts and conductors based on our designs or designs provided by our clients. For more information, see "EPC Infrastructure for Power and Telecom" below.

Construction of Transmission Lines, including Surveying, Laying Foundations, Erection, Testing and Commissioning

Construction of transmission lines includes conducting surveys over varying kinds of terrain, including crossings of rivers and other water bodies, hills and deserts, laying of concrete foundations for the towers, erecting towers on the foundations and stringing conductors. We have successfully installed over 763 circuit kilometres of transmission lines in India.

Significant Completed Projects

Project Details	Client	Location	Contract Value (Rs. in million)	Completed
Turnkey construction of 400kV Bhadrawati-Chandrapur transmission line	PGCIL	Maharashtra	112.40	April 2006
Turnkey construction of 400kV Sipat-Raipur transmission line	PGCIL	Chattisgarh	525.20	July 2008
Turnkey construction of 400kV Kolar-Sriperumbudur transmission line	PGCIL	Tamilnadu	187.40	May 2008
Supply and construction of 230kV towers	Tamil Nadu Electricity Board	Tamilnadu	175.00	September 2007
Turnkey construction of 400kV BESCL-Raipur transmission line	PGCIL	Chattisgarh	161.30	September 2008
Turnkey construction of 765kV Seoni-Wardha transmission line	PGCIL	Maharashtra	467.30	March 2009

Order Book

Our EPC power transmission business's order book was Rs. 1,312.22 million as at February 28, 2010, which included the following significant ongoing projects and work orders:

Client Name	Location	Project Details	Project value (Rs. in million)(1)	Amount billed by us as at February 28, 2010 (Rs. in million)	Amount included in our order book as at February 28, 2010 (Rs. in million)	Expected Completion
PGCIL	Madhya Pradesh	Turnkey construction of 765kV single circuit Sasan-Silwar part of Sasan - Satna Transmission Line (Ckt - I) & LILO of both circuits of 400 kV D/C Vindhyachal – Jabalpur (Ckt - 3 & 4) Transmission Line at Sasan - 7 kms Associated with Sasan Ultra Mega Power Project (Scheme – 2)-130 kms	340.79	92.96	247.83	May 2011
PGCIL	Gujarat	Turnkey construction of 400kV double circuit A1-Mundra-Surajbari 400kV D/C(Triple Bundle) Mundra-Surajbari section of Mundra-Limbdi transmission line associated with Mundra Ultra Mega Power Project-165 kms	296.79	7.36	289.43	June 2011
PGCIL	Gujarat	Turnkey construction of 400kV double circuit A2-Surajbari-Limbdi section of Mundra-Limbdi transmission line associated with Mundra Ultra Mega Power Project-148 kms	318.32	11.74	306.58	June 2011
PGCIL	Gujarat	Turnkey construction of E1-Mundra-Surajbari part of 400KV D/C (Triple Snowbird) Mundra-Jetpur Transmission Line (165kms) under Transmission system associated with Mundra UMPP (Scheme-1)-165 kms	360.34	15.28	345.06	March 2012
Nepal Electricity Authority	Nepal	Turnkey construction of 220kV double circuit Hetauda-Bharatpur Transmission Line-72 kms	123.32	-	123.32	January 2011

(1) Freight and insurance charges are included in the supply value of each contract.

Power Distribution

In our EPC power distribution business we design, engineer and procure the materials for and construct electricity distribution networks. This includes the construction of 33/11kV substations and high tension and low tension lines, the erection of poles and the provision of service connections in villages as well the conversion of low tension networks into high voltage distribution systems.

We have been awarded 10 contracts for system improvement project works for the conversion of low tension networks into high voltage distribution systems, two of which have been completed. Our clients in this business are APSPDCL and other state utilities. The Government has announced in its Eleventh

Five Year Plan that it intends to spend Rs. 400,000 million under the Re-structured Accelerated Power Development and Reforms Programme (APDRP) on renovation, modernisation and strengthening of distribution and sub-transmission systems in India. We believe we are well positioned to win projects under this new program.

We have been awarded 19 contracts in connection with the electrification of more than 21,000 villages, out of which we have completed the work for 5,273 villages. The primary source of funding for establishing these distribution networks is from the Ministry of Power and the Rural Electrification Corporation Limited, though the contracting parties are usually government-owned distribution utilities, such as PGCIL. We have run over time on some of these contracts and have applied for an extension of time, which if not granted may result in the imposition of liquidated damages.

Procurement of Materials

Our EPC infrastructure for power and telecom business manufactures distribution transformers, conductors and cables at our manufacturing facility in Hyderabad. For more information, see "EPC Infrastructure for Power and Telecom" below. We obtain all of our steel line items from Isitiva Steel, a Group Company, and fasteners from Isitva Fasteners, a Group Company, pursuant to exclusive offtake agreements that expire on March 31, 2012. We obtain all of our other material requirements including insulators, energy meters, low tension distribution boxes and below poverty line (BPL) connection kits from various suppliers as required and have no long term supply agreements for those materials. We believe that the other materials we require are readily obtainable.

Significant Completed Project

Project Details	Client	Location	Contract Value (Rs. in million)	Completed
System improvement project works for conversion of an existing low tension network into a high voltage distribution system in Puttur-II Division of Chittoor District	APSPDCL	Andhra Pradesh	273.7	July 2008

Order Book

Our EPC power distribution business's order book was Rs. 5,006.91 million as at February 28, 2010, which included the following significant project:

Client Name	Location	Project Details	Project value (Rs. in million)	Amount billed by us as at February 28, 2010 (Rs. in million)	Amount included in our order book as at February 28, 2010 (Rs. in million)	Expected Completion
PGCIL	Orissa	Rural electrification works in Mayurbhanj (packages B, C, D & E) and Nawrangpur districts of Orissa (11th Plan Projects)	2,139.86	1,043.06	1,096.80	May 2010

EPC Infrastructure for Power and Telecom

The main function of our EPC infrastructure for power and telecom business is to manufacture materials (such as towers, conductors, cables, distribution line items, transformers and equipment shelters) and supply them to our EPC power business and EPC telecom business. In addition to supplying our business divisions, this business division undertakes services for third parties. Our EPC infrastructure for power and telecom business is also capable of designing, engineering and manufacturing special steel structures such as windmills, broadcasting towers and guyed towers.

Power Transmission Towers

We design, engineer and manufacture up to 765kV power transmission towers at our ISO certified manufacturing facility located at Hyderabad. We also have the ability to design, engineer and construct transmission towers for up to 1,200kV and substation structures up to 765kV. We are also a PGCIL-approved vendor for supplying transmission towers up to 765kV. Besides PGCIL, our customers for power transmission towers include MPPTCL, the Nepal Electricity Authority and other state electricity utilities.

Telecom Towers

We supply roof top towers of up to 30 metres, ground based towers of up to 150 metres and masts. We offer our roof-top and ground based towers in square angular and triangular tubular designs.

Special Steel Structures

We have the capability to manufacture specialized custom-designed steel structures in our existing facilities. We particularly focus on windmill towers and broadcasting towers and antennas.

Manufacturing Facilities

Our manufacturing facility in Hyderabad has an annual fabrication capacity for towers of 250,000 MTs. Through our exclusive off-take agreements with Isitva Steel Private Limited, a Group Company, for steel rolling, and Isitva Fasteners Private Limited, a Group Company, for fasteners, we have effective backward integration for the production of power transmission towers and telecom towers. The state-of-the-art fabrication and galvanizing plants use computer numerical control, hydraulic and mechanical power presses and drilling machines to provide high quality punching, drilling, cutting and stamping. The galvanizing plants also include two imported and three indigenous galvanizing lines. With respect to our manufacturing process, our quality management systems have received global certifications including ISO 9001:2008.

Our conductors and cables manufacturing facility in Hyderabad produces conductors for power transmission lines including ACSR, AAAC and other distribution cables. We also manufacture associated steel line items and transformers of different voltage rating including 10kVA, 16kVA and 25kVA for our electricity distribution projects.

We also operate an in-house laboratory for performing all required tests on raw materials as well as finished goods. This laboratory uses universal testing, impact testing and hardness testing machines, as well as a spectrometer for steel chemical composition analysis.

Telecom Shelters

We have been manufacturing shelters for the telecom and defence sectors since 2005. Telecom shelters are protection cells for high-value communication equipments and can be put into service using surface transportation. Our telecom shelters are lightweight, self-supporting, extremely robust, corrosion resistant and all-weather proof. They are made in ‘knock down’ condition and involve minimal time to assemble and dismantle. Nonetheless, we ensure double layer protection of the shelter’s joints by backing the silicon sealant applied on joints with impregnated sealant tape. In addition, as these shelters are made with modular sandwich panels, they are highly seismic resistant. We currently have the manufacturing capacity to produce approximately 2,500 shelters per month (as per our management’s estimate) at our manufacturing facility in Hyderabad. Our state-of-the-art machinery includes two Cannon 100Compact high pressure foam-dispensing machines, as well as 5 four-daylight hydraulic presses and a “2+2 system” press to facilitate the discontinuous panel making process. The processes we use are entirely chlorofluorocarbon free and use ozone friendly technology.

In addition to telecom shelters, we possess the ability to produce mobile shelters for almost any application. Beyond the telecom shelters described above, we are capable of manufacturing other products including cold storages, test chambers, refrigerated trucks, prefabricated homes, mobile homes, mobile hospitals and electromagnetic compatibility, electromagnetic interference and nuclear, biological and chemical protected mobile shelters for defence applications.

Order Book

Our EPC infrastructure for power and telecom business's order book was Rs. 4,900.65 million as at February 28, 2010, which included the following significant projects and work orders:

Client Name	Location	Project Details	Project value (Rs. in million)[(1)]	Amount billed by us as at February 28, 2010 (Rs. in million)	Amount included in our order book as at February 28, 2010 (Rs. in million)	Expected Completion
PGCIL	Uttar Pradesh	Supply of Tower Package A6 - 765KV S/c Fatehpur-Agra (Part-I)	806.50	326.52	479.98	February 2011
PGCIL	Uttar Pradesh	Supply of Tower Package A7 - 765KV S/c Fatehpur-Agra (Part-II)	775.87	295.47	480.40	February 2011
PGCIL	Madhya Pradesh	Tower supply of 765kV single circuit Sasan-Silwar part of Sasan - Satna Transmission Line (Ckt - I)- 123 km (ii) LILO of both circuits of 400 kV D/C Vindhyachal – Jabalpur (Ckt - 3 & 4) Transmission Line at Sasan - 7 kms Associated with Sasan Ultra Mega Power Project (Scheme – 2)	870.17	337.32	532.85	May 2011
PGCIL	Gujarat	Tower supply of A1-400kV D/C(Triple Bundle) Mundra-Surajbari section of Mundra-Limbdi transmission line associated with Mundra Ultra Mega Power Project-165 kms	862.16	2.66	859.50	June 2011
PGCIL	Gujarat	Tower supply of A2-400kV D/C(Triple Bundle)Surajbari-Limbdi section of Mundra-Limbdi transmission line associated with Mundra Ultra Mega Power Project-148 kms	791.37	2.11	789.26	June 2011
PGCIL	Gujarat	Tower supply of E1-400KV D/C (Triple Snowbird) Mundra-Surajbari part of Mundra-Jetpur Transmission Line under Transmission system associated with Mundra UMPP (Scheme-1)-165 kms	864.85	1.00	863.85	March 2012
Nepal Electricity	Nepal	Tower supply of 220kV double circuit Hetauda-	433.60	-	433.60	January 2011

Client Name	Location	Project Details	Project value (Rs. in million)(1)	Amount billed by us as at February 28, 2010 (Rs. in million)	Amount included in our order book as at February 28, 2010 (Rs. in million)	Expected Completion
Authority		Bharatpur Transmission Line-72 kms				

(1) Freight and insurance charges are included in the supply value of each contract.

In addition, since February 28, 2010, we have been awarded three transmission contracts where our scope is to supply towersand the cumulative value of the same is Rs. 2,107 million.

EPC Telecom

Our EPC telecom offerings include passive telecom products and services, such as:

installation and commissioning of telecom towers and shelters;
end-to-end solutions for base station installation and commissioning;
microwave radio sites for telecom operators; and
network access solutions and support for data networks.

We offer fully fledged turnkey site construction services to clients for the management of all aspects of the project such as identifying suitable sites for clients to lease or acquire, site development, civil engineering, design and construction. We also offer wireless engineering services such as radio frequency surveys, route and frequency planning, link budgeting, propagation loss studies, project planning and system engineering, laying of fibre optic terrestrial networks, installation and commissioning of communication systems, designing and building of HFC networks, LAN and WAN commissioning, link maintenance and the provisioning of wireless hot spots.

Significant Projects

Some of the major turnkey services provided in the past few years are:

Project Details	Client	Location	Contract Value (Rs. in million)	Completed
Design, engineer, procure the materials for and construct passive infrastructure for 550 GSM base transceiver station site	Aircel Limited	Assam, NE and Tamil Nadu Circles	1,103.56	January 2010
Design, engineer, procure the materials for and construct passive infrastructure for 865 GSM base transceiver station site	Nortel Networks Limited	Andhra Pradesh Circles	344.42	December 2007
Supply and installation of 160 ground based towers ranging from 30 to 60 metres height	Siemens Public Communication Networks (P) Limited	UPE Circles	39.12	September 2006
Supply, install and commission Managed Leased line network equipment on a turnkey basis	MTNL	Delhi and Mumbai	477.29	February 2005

Order Book

Our EPC telecom business's order book was Rs. 207.11 million as at February 28, 2010, which included contracts for operation and maintenance and telecom infrastructure services.

Operation and Maintenance

Our operation and maintenance business, which we began in 2009, offers operation and maintenance of optical fibre cables and electrical utilities/tower at base transceiver station site. We also provide manpower for manning base transceiver station site equipment. Our major clients include Vodafone Essar Limited, Aircel Limited, and other private entities.

Our operation and maintenance business currently offers the following services:

Maintenance of electrical infrastructure in base transceiver station sites, including diesel generators, power interface units, battery banks, SMPS, air conditioners and earthing and aviation lamps;
Diesel filling activity in diesel generators for sites with proper monitoring and record;
One time health check of base transceiver station sites like antenna alignment and adjustment of transmission and receiving signals;
Provisioning of engineers and network operations engineers for base transceiver station sites;
Maintenance of optical fibre networks;
Provisioning of fault rectification teams for maintaining optical fibre cables; and
Provisioning of patrollers for patrolling optical fibre cable routes.

Customer Services Division

We strive to offer quality customer support in product maintenance, engineering support, training and documentation. The regular availability of customer support staff and continuous proximity to clients over extended periods of our engagement allows our clients to concentrate on those issues that directly concern their businesses. We are constantly evaluating our customer support services in order to upgrade the skill sets and expertise of our staff so they are able to provide high quality customer support in line with technology upgrades. Specifically:

- We employ approximately 106 service engineers (as at February 28, 2010);
- Our support centres are equipped with sophisticated test equipment and tools;
- We maintain an inventory of spare modules and components at all locations;
- We conduct on-site maintenance service for generic hardware and software, including attempts to recover the system to allow immediate work resumption;
- We conduct monitoring and preventive maintenance to reduce downtime of our systems; and
- We recommend maintenance programs and other problem prevention initiatives.

EPC Water and Waste Water

Since 2008, we have expanded our EPC services to include other diverse infrastructure opportunities, including the water supply and waste water sector. We believe that our strong project management skills will enable us to execute increasingly diverse infrastructure projects in India. High industrial growth and increasing urbanization are leading to greater demand for infrastructure, especially water and waste water infrastructure. Our entry into the water and waste water business has allowed us to begin tapping this market potential.

Our EPC services in the water and waste water sector currently include the laying of water pipelines for the supply of drinking water and industrial water, construction of underground drainage schemes and sewage treatment plants, water transmission and distribution systems which include raw-water intake systems, pumping systems, raw-water transmission systems, and water distribution systems. We are also currently constructing water treatment plants and focus on projects relating to the beautification of canals and lakes. We have assembled a team of skilled specialists to set up integrated engineering and design works relating to a diverse range of activities in the implementation of our water projects.

Order Book

Our water and waste water order book was Rs. 3,901.56 million as at February 28, 2010, which included the following significant projects and work orders:

Client Name	Location	Project Details	Project value (Rs. in million)	Amount billed by us as at February 28, 2010 (Rs. in million)	Amount included in our order book as at February 28, 2010 (Rs. in million)	Expected Completion
Punjab Water Supply and Sewage Board	Punjab (Bathinda, Mansa, Malout	Extension & augmentation of waste water pumping station & sewerage treatment plant	1,443.26	249.47	1193.79	April 2011
Punjab Water Supply and Sewage Board	Punjab (Ludhiana I&II)	Providing waste water system	555.91	-	555.91	October 2011 (Ludhiana I); April 2011 (Ludhiana II)
Bangalore Water Supply and Sewage Board	Karnataka (Mahadev-pura (3A,3C,), Kengeri and Rajaraje-swari Nagar)	Providing waste water system	1,882.04	-	1,882.04	January 2013 (Mahadevpura (3A,3C); January 2012 (Kengeri and (Rajarajesw-ari Nagar)
Rajasthan Urban Infrastructure Project	Bundi	Construction of overhead service reservoirs and clear water reservoirs	269.82	-	269.82	October 2011

EPC Oil and Gas

We have begun to bid for EPC contracts in the oil and gas sectors, and we currently have two tenders being considered by clients. For example, we have entered into a Memorandum of Understanding with PTPS to jointly pre-qualify, tender and implement projects for the bid invited by Indian Oil Corporation Limited (Pipe Lines Division) to lay a cross country petroleum product pipeline from Viramgam to Churwa. Pursuant to this agreement, PTPS will provide all technical qualification documents for tendering and special services, and we will be responsible for execution of the project, including procuring the required equipment and manpower. If we win this contract, all profit from this project will accrue to us, but we will indemnify PTPS for any loss or liability.

Our plan is to focus on constructing cross-country underground pipelines for the transportation of oil and natural gas, for refineries, petrochemicals and chemical plants on a turnkey basis.

Communications and Technology

Our communications and technology division has two sub-segments: telecom equipment and defence equipment. We have a research and development department that supports both businesses.

Telecom Equipment

We provide telecom equipment on a turnkey basis such as WiMax equipment, managed leased line network equipment, CDMA equipment and lawful interception equipment. We also supply other telecom equipment such as CDMA phones, SDH equipment, GEPON equipment, SSPA equipment and antennas.

Our telecom equipment business is driven by contracts awarded by BSNL and MTNL, who are our major customers. We generally import telecom equipment in parts from suppliers such as Aviat

Networks, Verint Systems Inc., ST Electronics (Satcom and Sensor Systems) Pte. Ltd. and UTStarcom India Telecom Pvt. Ltd. and assemble it with locally procured accessories and/or our own in-house produced items at our three manufacturing facilities. Our value addition plays a critical role in winning contracts from BSNL and MTNL as they both have elaborate and stringent product evaluation and acceptance procedures and we possess the required infrastructure and skilled personnel to address these requirements.

Our manufacturing facility in Hyderabad, Andhra Pradesh is ISO9001 certified. This facility has a fully automated surface mounting technology line with a total capacity of 16,000 components per hour and sophisticated test and measuring instruments. We have a manufacturing facility in Yanam, Puducherry, which is ISO9001 certified, and are in the process of establishing a manufacturing facility in Solan, Himachal Pradesh.

We also provide long term post sales service support for our products.

Defence Equipment

Our defence equipment business is focused on developing and producing electronic equipment that addresses the strategic communication requirements of the Indian Armed Forces.

Communications in the Armed Forces must be conducted in a highly secure manner. In order to address this requirement, we have developed frequency hopping point to point and point to multi-point communication platforms for ground command C4I applications for India's strategic defence programmes and vehicular intercom systems for armoured vehicles. We also design and manufacture subsystems and modules such as synthesizers, radio frequency front end tuners, antennae, exciters for jammers and jammer power amplifiers.

We also offer engineering, integration and repair services for both our products and third party products. Our major defence equipment clients include certain defence laboratories, Government and public sector undertakings

Governmental Registrations

India's MoD requires every company that wishes to participate in the procurement process from any of the various bodies related to the MoD to be registered with such body. This is to ensure that only the most qualified companies participate in government bidding. We are a registered vendor with the following laboratories of DRDO and public sector undertakings associated with the MoD: Defense Electronics Application Laboratory; Defence Research and Development Laboratory; Defence Electronics and Research Laboratory; Armament Research and Development Establishment; Aeronautical Development Establishment; Instrument Research and Development Establishment; Centre for Airborne Systems; Research Center Imarat; BEL; Bharat Dynamics Limited; and Electronics Corporation of India Limited.

Quality Approvals

We are committed to providing high quality at every stage of product design, prototyping, testing and manufacturing. As a result, we ensure that special attention is given to every stage of product build up, including requirements assessment, preliminary design, prototyping, system integration and testing (including environmental tolerance and electromagnetic interference/electromagnetic compatibility requirements), and that our clients are continuously involved in the quality assurance systems and processes during the product development and manufacturing stages.

We are ISO 9001/2008 certified and meet or exceed the requirements of the rules specified by the ISO. In addition, our products adhere to prescribed national defence standards.

Research and Development Department

We have a research and development facility in Hyderabad equipped with design tools, test and measuring instruments and evaluation facilities. We have a dedicated team of 90 employees in our research and development department (as at February 28, 2010). Our research and development department has been one of the key factors in the success of our telecom business and defence equipment business. In addition to developing products for in-house manufacturing, we have executed development contracts for a Government defence laboratory. Our development activities extend to proving products as part of "No Cost – No Commitment" trials, which are mandatory as per India's Defence Procurement Policy.

Order Book

Our communications and technology order book was Rs. 693.04 million as at February 28, 2010, which included the following significant project and work order:

Client Name	Location	Project Details	Project value (Rs. in million)	Amount billed by us as at February 28, 2010 (Rs. in million)	Amount included in our order book as at February 28, 2010 (Rs. in million)	Expected Completion
BSNL	Kerala - Phase I	Supply, installation, commissioning maintenance and O&M support of WiMax equipment on turnkey basis	978.44[(1)]	753.80	224.64	April 2010

(1) We received an advance purchase order from BSNL, dated May 4, 2009, for the supply, installation, commissioning and maintenance of Urban WiMax equipment in the BSNL Kerala circle on a turnkey basis with a total contract value of Rs. 3,738.57 million. As at February 28, 2010, we have received one purchase order for Rs. 978.44 million, the details of which are set forth in the above table.

In addition, since February 28, 2010 we have received a letter of intent from BSNL for the supply, installation, commissioning, maintenance and operation and maintenance support of WiMax equipment on turnkey basis, with a contract value of Rs. 2,180 million.

Renewable Energy

We manufacture solar photovoltaic modules of up to 240W. In addition to selling these modules we use them to build:

- Solar portable lighting systems;
- Indoor home lighting systems;
- LED street lighting systems;
- Solar water pumping systems;
- Telecom applications; and
- Off-grid power packs.

In addition to the above, we have the ability to provide:

- Standalone power plants; and
- Solar, micro wind and hybrid power generating systems.

We supply, install and commission our solar powered products. When we supply a solar powered product, we also enter into comprehensive maintenance contracts, generally for a period of five years.

Order Book

Our order book as at February 28, 2010 was Rs. 123.10 million, which was comprised of an order from BSNL for solar power supplies for fixed wireless terminals (including solar panels, batteries, a central control unit and masts), which we expect to complete by April 2010.

Sales and Marketing

We have six employees in India in our sales and marketing team. We generally sell our solar modules to retailers and sell our solar products through successful tenders.

Manufacturing Facility

We manufacture solar photovoltaic modules of up to 240W and build solar powered products at our facility in Hyderabad. This facility is ISO-9002 compliant and is equipped with solar cell sorting machines, vacuum laminators, curing ovens, computerized sun simulators for automatic testing of modules, pneumatic tools and environmental chambers. Our processes at this facility are ISO 9001:2000 and ISO 14001:2004 certified for their adherence to healthy and pollution-free environmental practices. Our quality system for manufacturing is also certified by the German TUV CERT Certification body for QM-Systems of RWTUV Systems GmbH. The current annual capacity at this facility is 20 MW. We are proposing to further automate our production line at this facility by incorporating fully automatic module manufacturing lines, which will further improve quality and increase the total maximum capacity of our production lines to 80 MW per annum. For more information, see "Objects of the Issue" beginning on page 39 of the Draft Red Herring Prospectus.

Materials

We purchase materials for the manufacture of our solar modules, including solar cells, toughened glass, ethylene vinyl acetate ("EVA"), back sheet (tedler), terminal boxes, copper interconnects and busbars and aluminium channels, as required. Although we do not have long term supply agreements, all of these materials are readily obtainable. We purchase solar cells from Q-Cells SE, Motech Industries Inc, Schott Solar, Inc and toughened glass from Hindustan Glass Works.

Certifications

Our solar modules, street lighting systems, home lighting systems and solar portable lighting systems are tested and certified by the Central Power Research Institute for qualification with the Indian Ministry of New and Renewable Energy specifications. In order to be eligible to sell solar modules in the USA, we are planning to submit our solar modules to United Laboratories, USA for certification. Similarly for Europe, we are planning to submit our solar modules to International Electrotechnical Commission (IEC) for certification.

EPC Project Execution

EPC projects involve various activities depending on the scope of engagement on a specific project, either as an EPC or turnkey contractor, as a principal contractor or as a subcontractor responsible for specific segments of a project. These activities include project management, engineering design for the proposed project or specific parts of a project, procurement of equipment and materials from third party manufacturers, construction activities, and commissioning/start-up services. Financing costs for our working capital and for any initial expenses on our project execution scope are borne by us and are considered when calculating a particular contract's value.

Design and Engineering

Prior to the construction of a project, detailed engineering is needed if the contract is an EPC contract. For a description of our design and engineering capabilities, see "EPC Power-Power Transmission-Design and Engineering Services" above.

Procurement

Because material procurement plays such a critical part in the success of any project, we maintain experienced staff to carry out material procurement activities. On EPC contracts that we undertake, material procurement is critical to the timely completion of construction. We maintain sophisticated material procurement, tracking and control systems which enable effective monitoring of our purchases.

We typically order the materials required for a project, such as steel, zinc, aluminum conductors, cement, diesel oil, concrete, reinforcement bars, electrodes, coating material or valves, immediately following the award of a project contract. We have dedicated vendors for most of the supplies and we work with them on a month-to-month basis in order to reduce any adverse impact from cost increases. Through our supply agreements with Isitva Steel Private Limited, a Group Company, for mild steel and high tensile steelangles, and Isitva Fasteners Private Limited, a Group Company, for fasteners (nuts and bolts), which expire on March 31, 2012, we have effective backward integration for the production of power transmission towers and telecom towers as both of these companies have agreed to offer us the right of first refusal to purchase all of their production on a most favoured customer basis. When we require products from either of these companies we get quotations for the products from other third party suppliers and then Isitva Steel Private Limited or Isitva Fasteners Private Limited, as the case may be, charge us 2% less than the lowest third party quote we have received. This helps decrease the possibility that price levels will fluctuate from those assumed or provided for in our bid, and ensures the availability of such materials when required under the project schedule. Furthermore, approximately 80% of the materials used in our EPC telecom business and EPC power business is supplied by our EPC infrastructure for power and telecom business.

Construction Services

In our EPC contracts, the field construction typically commences once the basic engineering and design aspects are finalized and a substantial portion of the materials have been ordered. However, in our transmission towers, power transmission and special steel structures projects, construction commences after we have fabricated the tower base and mobilized our key work force and construction machinery to the work site. The key construction activities involved in a project depend on the nature and scope of the project. For each of our projects, in addition to our on-site project managers, we appoint a project coordinator at our head office to coordinate and oversee the progress of work.

Pre-qualification and the Bidding Process

In selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria, including experience, technical capability and past performance, reputation for quality, safety record, financial strength and size of previous contracts in similar projects. Recognizing that pre-qualification is key to our winning projects, we continue to focus on achieving pre-qualification. We endeavour to become directly qualified for projects that we propose to bid for.

Because of the high cost and management resources required to prepare a bid on a large contract, we only bid on selected projects. Each project is carefully analyzed and, prior to bidding, we estimate the costs and analyze the financial and legal aspects of the project. In evaluating bid opportunities, we consider such factors as the client's reputation and financial strength, the geographic location and the difficulty of the work, whether financing arrangements for the proposed project have been finalized, our current and projected workload, the likelihood of additional work, the project's cost and profitability estimates, and any competitive advantage relative to other likely bidders. The bid estimate forms the basis of a project budget against which performance is tracked through a project cost system, enabling management to monitor projects continuously. The relative price competitiveness of the bid (among qualified parties) is generally the most important selection criterion.

We cannot predict with any degree of certainty the frequency, timing or location of new contract awards. Until the final selection is made, negotiations are conducted on matters such as specific engineering, guaranteed technical and performance parameters, construction schedule and financial and other contractual terms and conditions.

Joint Venture and Consortium Arrangements

We bid generally as the sole primary contractor of our projects, taking full responsibility for all aspects of the project, including, if required, the selection and supervision of subcontractors. On larger or more technically complex projects in our EPC businesses, we have, or may, participate in project-specific joint ventures or consortium arrangements with other EPC companies to share risks and combine financial, technical and other resources. Additionally, we may seek one or more such partners when a project requires local content, equipment, manpower or other resources beyond those we have available or to share risk and resources on larger projects.

In a single-project joint venture or consortium arrangement, each member of the joint venture shares the risks and revenues of the project, according to a predetermined agreement. Such agreements generally identify the work to be performed by each party, procedures for managing the partnership, the equipment, personnel or other assets that each party will make available to the partnership and the method by which any disputes will be resolved. These single-purpose joint ventures are for the duration of the contract, and are terminated when the project is completed.

Production Capacity

The following table sets forth our existing installed capacity as at September 30, 2009 and our production capacities for the periods indicated at each of our facilities:

Product	Installed annual capacity, as on September 30, 2009(1)	Production in the 15 months ended September 30, 2009(2)	Production in Fiscal 2008	Production in Fiscal 2007
Towers (MT)	200,000	49,129.20	72,720.68	67,035.87
Communication equipment (Nos)	1,035,000	521	624,880	554,905
Solar photovoltaic systems (Nos)	30,000	18,854	11,546	1,254
Transformers (Nos)	50,000	7,925	6,449	4,530

(1) As per our management's estimate.
(2) As this is a 15-month period, it is not comparable to fiscal 2008 and fiscal 2007.

Raw Materials and Components

The principal raw materials and components used in our business are mild steel material, electronic components, zinc, teflon material, copper material, mechanical/hardware, furnace/transformer oil, solar cells and batteries, cables and cables accessories and aluminum. For further details of our raw materials and components consumed, see "Financial Statements" on page F-1 of the Draft Red Herring Prospectus.

We source our raw materials and components from a large number of independent suppliers, based on demands and specifications that correspond to the needs of a given project. For instance, we procure steel, on a monthly basis in order to have better control over price and supply level. We have also entered into a Memorandum of Understanding with Hindustan Zinc Limited for the supply of zinc, pursuant to which the price we pay for zinc varies based on the London Metal Exchange index. For more details about the procurement of raw materials in our EPC businesses, see "EPC Project Execution-Production" above.

The supplies and prices of these materials and components depend on market situations, competition, supply levels, taxes and transportation costs. If for any reason, our primary suppliers of raw materials or fuel curtail or discontinue their delivery to us in the quantities and prices that we expect or are competitive, we may not be able to meet our project schedules and our business may suffer.

Utilities

Power

At our manufacturing facilities, we obtain power through our sanctioned load from the respective state-owned electricity generator and maintain in-house diesel generator sets. The relative amounts we receive from each are as set forth below:

Location of Facility	Sanctioned load from Electricity Board	Generator back-up
Nagaram, Hyderabad	650 KVA	1,250 KVA
Cherlappally, Hyderabad	200 KVA	250 KVA
Yanam, Puducherry	125 KVA	62.5 KVA

Water

We are able to satisfy our water requirements through captive bore wells and municipal water connection. The approximate daily water requirement for each of our manufacturing facilities is as set forth below:

Location of Facility	Daily Water Requirement (in kL)
Nagaram, Hyderabad	30
Cherlappally, Hyderabad	8
Yanam, Puducherry	1

Competition

We operate in a highly competitive environment in all of our business areas. Our competition depends on which of our businesses the project is in. It also depends on the size, nature and complexity of the project and the geographic region in which the project is being executed. In general, we compete against major Indian and Asian telecom and EPC companies, as well as infrastructure development companies. While service quality, technical capability, health and safety history, availability of qualified personnel, as well as reputation and experience are important considerations in client decisions, price is the major factor in most tender awards. Further, size, scheduling and complexity of certain large scale projects preclude participation by smaller and less sophisticated EPC companies.

Our primary competitors in the EPC power business include KEC International Limited, Kalpatru Power Transmission Limited, Jyoti Structures Limited, Larsen & Toubro Limited, IVRCL Infrastructure & Projects Limited and GTL Limited. In the power distribution business, our competitors also include Vijai Electricals, Ltd., Bajaj Electricals and Henkel SPIC India Ltd.

Our primary competitors in the EPC infrastructure for power and telecom business include Reliance Infratel Limited, Indus Towers Limited, Aster Teleservices Private Limited, GTL Limited, Ganges Internationale Private Limited and Sujana Towers Limited.

Our primary competitors in the telecom equipment business include Bharti Televentures Limited, Himachal Futuristic Communications Ltd., ITI Limited, XL Telecom & Energy Limited and Huawei Telecommunications (India) Co. Pvt. Ltd. Our primary competitors in the defence equipments business include BEL, Electronics Corporation of India Limited, Tata Power Company Limited, Larsen & Toubro Limited and Hyderabad Batteries Limited.

Our primary competitors in the EPC water and waste water business include IVRCL Infrastructure & Projects Limited, Subhash Projects and Marketing Limited and Nagarjuna Constructions Company Limited.

Our primary competitors in the EPC oil and gas business include IVRCL Infrastructure Limited and Punj Lloyd Ltd.

Our primary competitors in the solar module and solar products business include: Solar Semiconductors Limited, Titan Energy Systems Limited and Tata BP Solar India Limited.

Many of our primary competitors in our EPC businesses are substantially larger companies with substantially greater resources than us, some of which may also be listed.

Environmental Matters

We believe that we are generally in material compliance with applicable environmental laws and regulations. We are involved in environmental proceedings in the ordinary course of business but have not been subject to any material environmental claims. We are not currently a party to any environmental proceedings which, if adversely determined, would reasonably be expected to have a material adverse effect on our financial condition or results of operations.

We are firmly committed to internationally accepted best practices and strive to maintain a strict adherence to environmental management of our operations throughout India and in foreign jurisdictions. To ensure effective implementation of our practices, we seek to identify hazards at the beginning of our work on a project, evaluate the associated risks and institute and monitor appropriate controls and methods.

We believe that many accidents and occupational health hazards can be prevented through systematic analysis and control of risks and by providing appropriate training to employees, subcontractors and communities. We encourage our employees to work proactively towards eliminating or minimizing the impact of hazards to people and the environment. We believe our adoption of company-wide occupational health and safety procedures is an integral part of our operations.

For a description of the material environmental laws applicable to us, see "Regulations and Policies" beginning on page 102 of the Draft Red Herring Prospectus.

Employees

As at February 28, 2010, we employed approximately 1,929 full-time employees. Of these, approximately 704 are employed in our EPC power business, 366 are employed in our EPC infrastructure for power and telecom business, 437 are employed in our EPC telecom business, 59 are employed in our other EPC business, 109 are employed in our communications and technology business, 54 are employed in our renewable energy business and the remainder are employed in our head office and in administration. We believe we have a satisfactory working relationship with our employees.

None of our employees are represented by any labour or workers' union. We believe that we have good relations with our employees and workers, and have not experienced and material labour unrest or work stoppage due to labour problems in the past five years.

We have also established an employee welfare trust by the name of ICOMM Employee Welfare Trust for our employees who have completed 10 years of uninterrupted service with us. The trust is an irrevocable trust which has been formed for the benefit of relevant employees and its objects, *inter alia*, are to aid the education of the siblings of employees, establishment of research and training centres for furtherance of education, to function as a non communal trust and a secular organization and to acquire moveable and immoveable properties for achieving the objects of the trust.

Insurance

We maintain insurance cover (property and casualty) as part of our risk management policy. We have insured our assets against risks such as fire, earthquake and other natural calamities and malicious damage. We maintain a fire insurance policy and electronic equipment insurance. Our employees are covered under policies such as our mediclaim policy (health insurance) and our personal accident policy. We also maintain a transit risk policy for indigenous as well as for Export / Import, which covers risks as per standard policy norms. For our various projects, including rural electrification, transmission projects, other EPC projects and renewable energy projects, we have obtained storage-cum-erection, erection all risk and construction all risk insurance policies, which provide cover for all risk except certain standard exclusions. We have also insured our workmen for various projects through employers liability insurance (or workmen compensation insurance).

Our management believes that the insurance we presently maintain represents the level of coverage required to insure our business and operations, and is in accordance with customary industry standards in India for the businesses in which we operate. However, there can be no assurance that the Company will not incur damages or liabilities which are not covered as such by our policies or which exceed the limits of our policies.

Properties

Our registered office and corporate headquarters are located at Third Floor, Trendset Towers, Road No. 2, Banjara Hills Hyderabad 500 034. We lease this 7,814 square foot area pursuant to two lease agreements that expire in January 2012.

Our manufacturing facilities at Cherlapally and Nagaram are situated on land admeasuring 95 acres which is owned by us.

Set forth below are the details of manufacturing facilities that we lease:

Address	Area (in square feet)	Term
K/K No. 121/161 min, bearing Khasra Nos. 379/227/1 (1-2) and 418/378/227/1 (0-17) situated at Village Kirpalkur, H.B. No 143, Prg. and Tehsil Nalagarh, District Solan, Himachal Pradesh.	3,500	60 months starting from February 19, 2010 until February 18, 2015
Patta No. 5 of Kanakalapeta, Yanam Municipality, Yanam, Pondicherry District, Union of Pondicherry	15,934	11 months starting from May 15, 2009 until April 14, 2010

Additionally, we lease 85 properties (excluding our registered office and our manufacturing facilities) over 18 states in India which we utilise for our offices, guest houses and stores under different lease deeds/rental arrangements.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company.

(A) Telecommunications and Infrastructure related Regulations

Registration as Infrastructure Provider

In India, every company incorporated under the Companies Act intending to set up and operate telecommunications services is required to obtain requisite permission from the Department of Telecommunication ("**DoT**") and Government of India ("**GoI**"). Based on the nature of telecommunication infrastructure provided, such telecommunication infrastructure providers have been categorized into Infrastructure Provider Category I ("**IP-I Provider**") and Infrastructure Provider Category II ("**IP-II Provider**"). However, the issuance of IP-II category licenses has been discontinued from December 14, 2005. The IP-I Providers are those infrastructure providers who provide assets such as dark fibers, right of way, duct space, towers, co-location space and power (AC/DC). A licence to operate as IP-I provider is not required, however IP-I providers are required to be registered as an infrastructure provider under the DoT. The DoT has set out certain guidelines for granting of registration as IP-I Provider to a company. These guidelines *inter alia*, state that the applicant applying for the registration should (a) be an Indian company registered under the Companies Act (b) provide use of infrastructure in a non-discriminatory manner, (c) submit a copy of an agreement entered into with the other service providers or IP-II Provider to the DoT within 15 days of signing of such agreement and (d) provide dark fibers, right of way, duct space, towers on lease / rent / sale basis to the licensees of telecom services on mutually agreed terms and conditions. The DoT does not impose any restriction on the foreign shareholding in the IP-I Provider. The registration for IP-I is a non-exclusive basis without any restriction on the number of entrants. The IP-I registered company is further required to submit copies of agreements entered into with telecommunication service providers or pre-existing IP-II license holders to the DoT within 15 days of signing such agreements.

In addition to the aforementioned guidelines, the certificate of registration ("**Certificate**") specifies certain terms and conditions and breach of which would lead to cancellation of an IP-I registration. The terms and conditions set out in the Certificate, mandate that the IP-I Provider should not to provide infrastructure to any licensee of telegraph services, whose license is either terminated or suspended or not in operation. In case infrastructure services, has already been provided to such a licensee, the IP-I Provider is required to withdraw such grant of infrastructure and disconnect immediately upon receipt of any reference from the licensor in this regard. Further, the IP-I Provider is required to ensure that security clearance has been obtained from the Ministry of Home Affairs, GoI, in respect of all foreign personnel deployed by it for installation or operation or maintenance of its infrastructure.

As per the terms of the Certificate, the GoI has the powers to take over the equipment and networks of the IP-I Provider, or revoke or suspend or terminate such registration partially or fully, in the public interest in case of emergency or war or low intensity conflict or any other similar eventuality. Additionally, the IP-I Provider is required to provide facilities to the GoI to counteract any espionage or subversive act or sabotage or any unlawful activity, and provide to the agencies authorised by the GoI full access to the infrastructure network for technical scrutiny and visual or any operational inspection.

SACFA Clearance

The Standing Advisory Committee on Radio Frequency Allocations ("**SACFA**") is a high level committee whose function is to carry out detailed technical evaluation in respect of aviation hazards, obstruction to line of sight of existing or planned networks and interference to existing and proposed networks. For setting up any wireless installations in India, clearance from the SACFA is required in respect of a fixed station and its antenna mast (cell sites).

The SACFA has a detailed siting procedure, which has divided sites for wireless stations into three categories namely (a) mast height category, (b) category exempted from mast height clearance, and (c) full siting category. Depending on the antenna size, height, power output and frequency, application for SACFA clearance has to be made in different forms pertaining to each category. As per Office

Memorandum No. K 19013/ 13/ 2005/ CFA of WPC Wing issued by the DoT dated June 28, 2006, all antenna towers located beyond seven kilometres from the nearest airport and having a total height of not more than 40 meters above the mean sea level of the airport reference point of the concerned airport need not undergo a detailed SACFA siting clearance procedure. They must, however, be registered online on the WPC/SACFA website and necessary clearance will be issued by the SACFA Secretariat.

Permission from Municipal Authorities/Zilla Parisad/Gram Panchayat/any other local authority

The local laws of many states in India require that in order to set up towers and other infrastructure, 'No Objection Certificates' from local authorities like Municipal Authorities, Zilla Parishad or Gram Panchayat in whose jurisdiction the towers are being constructed. Under the local laws some states any person intending to carry on any development on any land has to obtain permission from the planning authority by making an application in writing. On receipt of such application, the planning authority may, grant such permission unconditionally, or subject to such conditions as may be imposed with the prior consent of the State Government. Such permission would be granted in form of a commencement certificate.

Infrastructure Sharing

In April 2008, the DoT issued guidelines on infrastructure sharing; under which sharing of active infrastructure among service providers based on mutual agreements entered among them is permitted. These guidelines are aimed at reducing input costs on telecom access service providers, which would facilitate reduction of tariff and increase tele density in rural areas. In terms of these guidelines, active infrastructure sharing is limited to antenna, feeder cable, Node B, Radio Access Network and transmission systems only, further Infrastructure Providers (IP) category-I are allowed to seek SACFA siting clearance for erecting towers with or without agreement with licensed service providers. These guidelines also reduce the time for SACFA clearance to about 45 days.

(B) The Power Sector

Electricity, being an entry in the Concurrent List (Entry 38, List III) of the Seventh Schedule to the Constitution of India, is governed by the laws of both the Government of India and the State Governments. The central legislation governing the sector is the Electricity Act, 2003, as amended ("**Electricity Act**"), a comprehensive legislation governing various aspects of the power sector including transmission, supply and use of electricity and central and State electricity regulatory commissions).

The Central Electricity Authority ("**CEA**") is constituted under the Electricity Act and shall consist of the members appointed by the GoI to perform the functions and duties prescribed by the GoI. Among other functions, the CEA is to, *inter alia*, (a) specify technical standards for construction of electrical plants, electric lines and connectivity to the grid; (b) specify grid standards for operation and maintenance of transmission lines; (c) specify the conditions for installation of meters for transmission and supply of electricity; (d) advise the GoI on matters relating to National Electricity Policy; and (e) advise the appropriate government and commission on all technical matters relating to generation, transmission and distribution of electricity. The Electricity Act also provides for a Central Electricity Regulatory Commission ("**CERC**") and a State Electricity Regulatory Commission ("**SERC**") for each State. Among other functions, the CERC is responsible for: (a) regulation of inter- State transmission of electricity; (b) determination of tariff for inter- State transmission of electricity; (c) issuing of licenses to function as transmission licensee with respect to inter- State operations; (d) specifying and enforcing standards with respect to quality, continuity and reliability of service by licensee etc. SERCs perform the similar functions at the State level.

Rural Electrification

The licensing requirement under the Electricity Act, does not apply in cases where a person intends to generate and distribute electricity in rural areas as notified by the respective state governments. However, the supplier is required to comply with the requirements specified by the CEA. The Electricity Act mandates formulation of national policies governing rural electrification and local distribution and rural off-grid supply including those based on renewable and other non-conventional energy sources.

(C) Solar Energy Sector

India has an exclusive Ministry of New and Renewal Energy (**"MNRE"**), previously known as the Ministry of Non-Conventional Energy Sources. In 1980, Commission on Alternative Sources of Energy (**"CASE"**) was set up to look into feasibility of tapping into sources of renewable energy. In 1982, a separate Department of Non-Conventional Energy Sources (**"DNES"**) was created under the aegis of Ministry of Energy for promoting activities relating to development, trial and induction of variety of renewable energy technologies for use in different sectors. In 1992, the MNRE started functioning as a separate Ministry to develop all areas of renewable energy. Policy guidelines were issued by the MNRE to all the states during the mid-nineties with a view to promote commercial development and private investment in this sector. The guidelines pertain to areas such as provision of facilities for wheeling, banking, third party sale, and buy-back of electricity. The mandate of MNRE includes research, development, commercialization and deployment of renewable energy systems / devices for various applications in rural, urban, industrial and commercial sector. In the 1987, MNRE established the "Indian Renewable Energy Development Agency Limited" (**"IREDA"**), a financial institution to complement the role of MNRE and make finance available to renewable energy projects. IREDA functions under administrative control of MNRE. IREDA is involved in extending financial assistance and related services to promote deployment of renewable energy systems in India.

Scheme on "Demonstration and Promotion of Solar Photovoltaic Devices/Systems in Urban Areas & Industry" during 2008-09 (the "Demonstration and Promotion Scheme")

The Demonstration and Promotion Scheme was introduced by the MNRE (Urban, Industrial and Commercial Group) for the period of 2008-2009 and continues for the Eleventh Five Year Plan period as well. The major objectives of the Demonstration and Promotion Scheme are: (a) to create awareness and demonstrate effective alternate solutions for community or institutional solar based systems in urban areas and industries; (b) to reduce the burden of conventional electricity facing a shortage in cities or towns facing shortages; and (c) to save highly subsidized diesel in institutions and other commercial establishments including industry facing huge power cuts.

The scheme also aims at the promotion of solar street lights, solar traffic signals, solar blinkers, solar power packs/inverters etc. The implementation procedure, as detailed under the scheme, is to be executed through state nodal agencies and in other specific cases, by other government bodies or other technical organizations which will also be involved in organizing publicity awareness campaigns and other events such as conferences, workshops etc. The implementing agencies will be provided service charges at two percent of central financial assistance sanctioned for the demonstration projects. The implementing agencies will be free to decide the capacity and other specifications of systems to be installed in the area and would also ensure that an annual maintenance contract for five years is included in the total cost of the system. Financial support is one of the mechanisms under the Demonstration and Promotion Scheme for promoting the use of solar photovoltaic devices and systems in urban areas. For this purpose, the Demonstration and Promotion Scheme includes various financial provisions, including those pertaining to financial support guarantees to programmes under the scheme such as seminars, conferences, and public awareness programmes.

Feed-in-Tariffs:

On the demand side, in early 2008, the GoI announced a Feed-in-Tariff ("**FIT**") scheme which is a form of a 'pricing law' by way of which producers of renewable energy are paid to set scientifically calculated rates for their electricity, differentiated according to the technology used and size of the installation, for a specified time period. The additional costs of such feed-in model schemes are paid by suppliers in proportion to their sales volume, and are passed to the power consumers by way of a premium on the KWh end-user price. The MNRE had announced two feed-in laws for (1) grid-connected solar-PV-based power generation and (2) grid-connected solar-thermal-based power generation. The central subsidy per kWh for SPV and for solar thermal was set at Rs. 10 and Rs. 12 respectively. This would be in addition to the state subsidy. Several state governments have subsequently announced FIT incentives with caps ranging from 50MW to 500 MW, the most prominent among them being West Bengal, Gujarat, Haryana, Punjab and Tamil Nadu.

(D) Defence Sector

The defence industry sector, which was reserved only for the public sector till 2000, was opened up for participation by the Indian private sector in the year 2001. The Indian companies are now eligible to apply for a license to set up defence industry for manufacture of all types of defence equipment.

Such companies can also have foreign direct investment of upto 26 percent of their equity capital. Detailed guidelines for grant of license have been issued by the Department of Industrial Policy & Promotion (DIPP) in consultation with the Ministry of Defence.

Defence Procurement Procedure

The Ministry of Defence, Government of India, to introduce increased levels of transparency and accountability in the defence acquisition process set up the Defence Procurement Procedure-2005 (**"DPP"**), which has now been reviewed and revised along with the Fast Track Procedure, 2001 and the Procedure for Indigenous Warship Building. In addition, a procedure for the development of systems based on indigenous research and design, categorized as 'MAKE', has been formulated. This framework provides for increased participation of Indian industry in the defence sector. The defence procurement framework has been revised several times by the Ministry of Defence and the recent amendment to the procurement procedure is the Defence Procurement Procedure 2008 (Amendment 2009) (**"DPP-2008"**).

The objective of the DPP is to ensure expeditious procurement of the approved requirements of the armed forces in terms of capabilities sought and time frame prescribed by optimally utilizing the allocated budgetary resources. The Defence Procurement Procedure covers all capital acquisitions, (except medical equipment) undertaken by the Ministry of Defence, Defence Services and Indian Coast Guard both from indigenous sources and ex-import. Defence Research and Development Organization (**"DRDO"**), Ordnance Factory Board (**"OFB"**) and Defence Public Sector Undertakings (**"DPSUs"**) however, continue to follow their own procedures for procurement. Under the Defence Procurement Procedure, capital acquisitions are categorized as under:

a) 'Buy' Decision: Buy would mean an outright purchase of equipment. Based on the source of procurement, this category would be classified as Buy (Indian) and Buy (Global). Indian would mean Indian vendors only and Global would mean foreign as well as Indian vendors. Buy Indian must have minimum 30% indigenous content if the systems are being integrated by an Indian vendor.

b) Acquisitions covered under the 'Buy & Make' decision would mean purchase from a foreign vendor followed by licensed production / indigenous manufacture in the country.

c) Acquisitions covered under the 'Make' decision would include high technology complex systems to be designed, developed and produced indigenously.

Further, the defence procurement manual issued by the Ministry of Defence provides transparent requests for proposals, uniformity in interpretation of various contracting clauses and issues clear timeframe for each stage and process of procurement to cut down on delays, it also provides general guidelines for assessing reasonability of prices.

Defence Offset Policy

The DPP, 2008, provides for certain offset provisions. These offset provisions of the DPP, 2008 apply to all capital acquisitions categorized as 'Buy (Global)' or 'Buy and Make with Transfer of Technology' followed by Licensed Production, where the estimated cost of the acquisition proposal is Rs 3000 million or more.

Under the offset rules, a uniform offset of 30% of the estimated cost of the acquisition in 'Buy (Global)' Category acquisitions and 30% of the foreign exchange component in 'Buy and Make' category acquisitions will be the minimum required value of the offset.

This offset obligation can be discharged by

(a) Direct purchase of or executing export orders for, defence products and components manufactured by, or services provided by, Indian defence industries, i.e., DPSUs, the Ordnance Factory Board and private defence industry.

(b) Direct foreign investment in Indian defence industries for industrial infrastructure for services, co-development, joint ventures and co-production of defence products and components.

(c) Direct foreign investment in Indian organizations engaged in research in defence R & D as certified by Defence Offset Facilitation Agency (**"DOFA"**).

The Ministry of Defence has also established a DOFA under the DDP as a single window agency to (a) facilitate implementation of the offsets policy , (b) assist in vetting of offset proposals technically, (c) assist in monitoring the offset provisions, (d) suggest improvements in the policy and procedures, (e) Interact with Headquarters Integrated Defence Staff and Service Headquarters, (f) advise, in consultation with the Headquarters Integrated Defence Staff, Services and Defence Research and Development Organization, areas in which offsets will be preferred, (g) Promote exports of defence products and services, and (h) provide advisory clarifications on the policy and procedures (in consultation with the Acquisition Wing wherever necessary.

(E) Water Supply and Sanitation

Water supply and sanitation, being entries in the State List of the Seventh Schedule to the Constitution of India, are governed by the laws of State Governments and States are vested with the right to plan, implement, operate and maintain water supply projects. In so far as urban water supply and sanitation is concerned, various States have constituted water supply and sewerage boards for the implementation and enforcement of State Government legislation in relation to water supply and sewerage. In addition to the above, the Ministry of Urban Development ("**MoUD**"), GoI also formulates policies and strategies pertaining to urban water supply and sanitation and the Central Public Health and Environmental Engineering Organisation, the Technical Wing of the MoUD, GOI acts as an advisory body for relevant State Government instrumentalities in the implementation, operation and maintenance of urban water supply and sanitation. The Central Public Health and Environmental Engineering Organization also scrutinizes water supply and sanitation schemes submitted by the State Governments/ local bodies for urban sector and has published various manuals in this regard specifying standards with respect to water supply and treatment, sewerage and sewage treatment and operation and maintenance of water supply systems. As regards rural water supply and sanitation, the same is supervised by the Department of Drinking Water Supply, Ministry of Rural Development, GoI in terms of relevant policies/ schemes that may be enacted from time to time by them.

In addition to the above, all management of water resources in India is guided by the National Water Policy, 2002 which broadly prioritises water in the following manner: (i) drinking water; (ii) irrigation; (iii) hydro-power; (iv) ecology; (v) agro-industries and non-agricultural industries; and (vi) navigation and other uses. The National Water Policy, 2002 further recommends the manner in which water resources are to be developed and managed in the country and further encourages private sector participation in planning, development and management of water resources projects for diverse uses, wherever feasible.

(F) Labour laws and Industrial Laws

Industries (Development and Regulation) Act, 1951

Section 11 of the Industries (Development and Regulation) Act, 1951 ("**IDRA, 1951**) provides that no person or authority, other than the central government, may establish any new industrial undertaking, except under and in accordance with a license issued by the central government. However, the IDRA, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("**IEM**") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

Factories Act, 1948

The Factories Act, 1948, as amended (**the "Factories Act"**), defines a factory to be any premises on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State Governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment with a fine.

Labour Laws

India has extensive labour related legislation. The Industrial Disputes Act, 1947 (**the "IDA"**) distinguishes between (i) employees who are 'workmen' and (ii) employees who are not 'workmen'. Workmen have been provided several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning a salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872.

Termination of a non-workman is governed by the terms of the relevant employment contract and applicable labour laws. As regards a 'workman', the IDA sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedures prescribed for resolution of disputes with labour, removal and certain financial obligations upon retrenchment. The state-specific shops and establishments act also provides for certain notice and/or compensation requirements in the event of termination of service by a company. Summary information on some of the labour laws that may be applicable has been provided below. This list is incomplete and does not cover all provisions of the laws specified, or all applicable labour laws.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970, as amended ("**CLRA**"), requires establishments that employ, or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour. The CLRA requires the principal employer of an establishment to which it applies to make an application to the registering officer in the prescribed manner for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, drinking water, washing facilities, first aid facilities, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be imposed for contravention of the provisions of the CLRA.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. Employees receiving wages up to a certain limit in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register himself under the ESI Act and maintain prescribed records and registers in addition to filing of forms with the concerned authorities.

Payment of Gratuity Act, 1961

The Payment of Gratuity Act, 1961 ("**POG Act**") provides for payment of gratuity to employees employed in factories, shops and establishments who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disability. The rule of 'five year continuous service' is however relaxed in case of death or disability of an employee. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer. Under the POG Act, an employer is obligated to pay maximum gratuity payout of Rs. 350,000 for an employee. The POG Act also requires the employer to obtain and maintain an insurance policy for the employer's obligation towards payment of gratuity.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory Provident Fund, Pension Fund and Deposit Linked Insurance Funds for the benefit of eligible employees in factories and establishments as may be specified. A liability is placed upon the employer and employee to make certain contributions to the funds mentioned above after obtaining the necessary registrations. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities.

The Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 ("**Standing Orders Act**") requires employers in industrial establishments, which employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by such employer in the prescribed manner. However until the draft standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("**MWA**") came into force with the objective to provide for the fixing of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

(G) Environmental Legislations

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 ("**Water Act**") and the Environment Protection Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down. These are required to be renewed annually.

Water (Prevention and Control of Pollution) Act, 1974

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a central pollution control board and state pollution control boards. The functions of the central board include coordination of activities of the state boards, collecting data relating to water pollution and measures for the prevention and control of water pollution and prescription of standards for streams or wells. The state pollution control boards are responsible for planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and reviewing of the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. If the required standards and conditions are not complied with, the relevant SPCB may serve a notice on the concerned person and cause the local magistrate to pass an injunction to restrain the activities of such person and impose fines.

The Water Pollution Act prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the state pollution control board. Under section 25 of the Water Pollution Act, the state board may give its consent for the establishment of the industry subject to conditions that it may impose and for a duration that it may specify. Having given consent, it can review its consent or the conditions imposed and revoke or alter any of them. Subject to the other provisions of the legislation, the state board may issue directions for the closure, prohibition or regulation of any industry. In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard. The person in charge is to affix meters of prescribed standards to measure and record the quantity of water consumed Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

Air (Prevention and Control of Pollution) Act, 1981

The central and state pollution control boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. In terms of the Air Pollution Act, it is mandated that no person can, without the previous consent of the state board, establish or operate any industrial plant in an air pollution control area. Penalties for the failure to comply with provisions of the Air Pollution Act include imprisonment up to seven years and payment of fine as may be deemed appropriate.

The Environment Protection Act, 1986

The Environment Act has been enacted for the protection and improvement of the environment. The Environment Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GoI may make rules for regulating environmental pollution. The Environment (Protection) Rules, 1986 (Environment Rules), as amended, further the purpose of the Environment Act. Rule 3 of the Environment Rules read with the Schedules to the Rules lay down the standards of emission or discharge of environmental pollutants. Rule 3 also permits the central board or state boards to prescribe even more stringent emission/discharge standards. Rule 5 sets out the procedure and considerations to be taken into account by the Central Government while passing an order prohibiting or restricting the location of industries.

(H) Foreign Ownership

The Industrial Policy, 1991 prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. The GoI has since amended the Industrial Policy, 1991 from time to time in order to enable FDI in various sectors in a phased manner gradually allowing higher levels of foreign participation in Indian companies. Under the Industrial Policy, 1991, 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 FEMA regulates the precise manner in which such investment may be made.

Press Note 4 of 2001 issued by the DIPP states that the defense industry sector is opened up to 100% for Indian private sector participation with FDI permissible up to 26%, both subject to licensing. Press Note No. 2 of 2002 prescribes guidelines for licensing the production of arms and ammunitions by the DIPP in consultation with the MoD and provides that cases involving FDI will be considered by the FIPB in consultation with the MoD. As per the policy on FDI contained in the Annexure to Press Note 7 of 2008, FDI up to 26% is permitted in the defense production sector, subject to licensing under the Industries (Development and Regulation) Act, 1951 and guidelines on FDI in the production of arms and ammunition. Accordingly, we are in the process of applying for an approval from the FIPB under the provisions of Press Notes 4 of 2001 and 2 of 2002 to permit eligible non-residents including NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions to subscribe to the Issue and consequently: (a) permit the Company to issue and allot Equity Shares to such persons as part of the Fresh Issue and the Pre- IPO Placement; (b) permit the Selling Shareholder to transfer Equity Shares of the Company to such persons as part of the Offer for Sale and the Pre- IPO Placement and permit certain other transfers to shareholders; and (c) grant its ex post facto approval for certain prior investments, prior to the date of the Issue, all of which are permitted to the extent of 26% of the equity share capital, post the IPO.

Further, pursuant to the provisions of the Master Circular on Foreign Investment in India dated July 1, 2009 issued by the RBI, if any activity of an Indian company whose securities are being transferred falls outside the automatic route and a FIPB approval is required, such transfer will require prior permission of the RBI. We will be applying to the RBI for its permission (a) to transfer equity shares of the Company as part of the Offer for Sale and the Pre- IPO Placement and to certain shareholders; and (b) grant its ex post facto approval for certain prior acquisitions of shares.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Advanced Radio Masts Private Limited, on January 30**,** 1989, under the Companies Act, 1956. We became a public limited company and the name of our Company was changed to Advanced Radio Masts Limited pursuant to a resolution of our shareholders passed at an EGM dated June 3, 1992 and a fresh certificate of incorporation consequent upon change of name was issued on July 31, 1992. The name of our Company was further changed to ARM Limited pursuant to a resolution of our shareholders passed at an EGM dated July 31, 1995 and a fresh certificate of incorporation was issued on September 15, 1995.

The name of the Company was changed to ICOM Tele Limited pursuant to a resolution of our shareholders passed at an EGM dated November 2, 2002 and a fresh certificate of incorporation was issued on November 12, 2002. The name of our Company was subsequently changed to ICOMM Tele Limited pursuant to a resolution of our shareholders passed at an EGM dated February 3, 2003 and a fresh certificate of incorporation consequent upon change of name was issued on February 6, 2003. The aforesaid changes were made to the name to reflect the changing nature of the business or the constitution of our Company and/or to clearly reflect the nature of the business.

For further details, please see "Business" beginning on page 76 of the Draft Red Herring Prospectus.

Paturu Ramrao was the founder and former promoter member of the Company and was appointed as the Managing Director of the Company on January 31, 1989. On August 28, 1997, Paturu Ramrao tendered his resignation letter to the Board of the Company, in the light of certain proceedings that were initiated against him. For further details of such proceedings, please refer to "Risk Factors" on page xiii of the Draft Red Herring Prospectus. Further, except as disclosed in the sections titled "Capital Structure", "Indebtedness", "History and Corporate Matters" on pages 28, 142 and 111 in this Draft Red Herring Prospectus, Paturu Ramrao has not been associated with the Company in its operations.

Subsequent to Paturu Ramrao's resignation, Sumanth Paturu who was functioning as a Director (not liable to retire on rotation), having being appointed pursuant to a shareholders resolution at the AGM dated October 5, 1994, was appointed as a whole time Director with effect from August 18, 1998, pursuant to a Board resolution dated September 28, 1998. Subsequently, he was appointed as the Managing Director pursuant to a Board meeting dated September 26, 2008 and the said appointment was approved by the shareholders at AGM dated November 21, 2008. Since his appointment in September 1998, Sumanth Paturu has been in charge of the day to day affairs and the management of the Company and was awarded the "Most Promising Entrepreneur", in December, 2009 at the Asia Pacific Entrepreneurship Awards. Sumanth Paturu is also a member of the Young Entrepreneurs Organization.

Change in Registered Office:

Date of change	Address
Since incorporation	6-82, Keesara Road Nagaram Village, Hyderabad 501 301
August 30, 1989	7-72, Habsiguda X Roads, Hyderabad 500 007
November 24, 1990	7-139, Nagendra Nagar Colony, Habsiguda, Hyderabad 500 007
March 31, 2003	3rd Floor, Trendset Towers, Road No. 2, Beside L.V. Prasad Eye Hospital, Banjara Hills, Hyderabad 500 034

The changes mentioned above were made to enable greater operational efficiency.

Our Main Objects

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

1. To carry on the business of manufacturers, installers, maintainers, buyers, sellers, hirers, exporters, importers, distributors, agents and dealers of and in electrical and electronic devices, components and accessories including communication antennas, wireless sets, radios, amplifiers, voltage regulators, connectors, radio and electronic components and other

accessories like self supporting towers, telescopic masts, guyed triangular lattice towers, tubular masts, appliances and materials of every kind and description whereby sound, vision or any other type of signal is recorded amplified, rectified, reproduced, transmitted or received and ancillary/auxiliary equipment thereof.

2. To carry on the trade or business of manufacturers, exporters, importers, distributors, agents and dealers of and in all types of components and systems required for industrial, military, control applications including linear and rotary, hydraulic, pneumatic PH meters, ultrasonic flow detectors, guage, amplifiers etc.

3. To carry on the business of research, design, consultants, experts, prepare and to supply Technical know-how, act as consultants, advisers in electronic equipment and components.

4. To buy, sell, manufacture repair, alter and otherwise deal in apparatus, plant machinery fittings, tools, materials, products and things of all kinds capable of being used for the purpose of the above mentioned business or any of them.

5. To carry on the manufacture, produce, assemble, fabricate, design, import, export, buy, sell, distribute, repair, service, lease-out or otherwise deal in all kinds and types of plant, machinery, fittings, components, tools and other things capable of being used in generation, distribution, transmission and accumulation of power and to run the said activities by itself or in joint venture in association with any private, public or foreign Organisation.

6. To design, install, erect, lay, provide, consultancy and Management service or undertake turnkey projects for manufacturing, installing, laying, commissioning of power generation, transmission and distribution net work and to set up, establish laboratory, research centres and to carry on research and development for the same.

7. To carry on the business of Installers, Maintainers, Buyers, Sellers, Hirers, Exporters, Importers, Distributors, Agents and Dealers of and in the business of Telecom Services, V-Sat Services, Information Technology relating to the business of communications, controls, computers, software development, business networking, internet services, and maintenance of internet service stations, Direct To Home facility (DTH), Education To Home (ETH), establish network frequency stations, provide comprehensive business solutions through networking, recruit, train and provide software and hardware professionals for software and hardware business, integrate, provide consultancy services, engage consultancy services in respect of software development, networking, internet service providers (ISP), creation of web sites and any business which is directly or indirectly related to the business of software development, internet services and to run the said activities by itself and or in joint venture in association with any private, public or foreign organizations.

8. To carry on business of producing, processing, generating, accumulating, distributing, transferring, preserving, mixing, supplying contractors, consultants, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockists, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators of merchandising, marketing, managing, leasing, renting, utilizing of electricity, steam, power, nuclear energy, solar energy, wind energy, biomass energy, geothermal energy, hydel energy, tidal and wave energy, and other conventional, non conventional and renewable energy sources, waste treatment plants of all kinds, and equipments thereof in India and outside India.

9. To carry on the business of civil engineers, architects, surveyors, designers, town planners, estimators, valuers, interior-exterior decorators, repairers, general and government civil contractors of immovable properties including building highways, roads, earth ways, embankments, bridges, tunnels, water ways, dams, seaports, sewers, sanitary systems in general and laying up of pipe lines to carry all types of waters, Oils, Gases, Petrochemicals, Petroleum, Diesel and all other goods and under BOT systems and all types of structural and engineering work, interior designing and graphics and further to engage in the business of builders, developers, construction contractors, subcontractors, and to let out, sell, buy or

maintain or otherwise undertake the construction of all types of structures both in under the earth and the above the earth level"

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholders resolution	Particulars
August 30, 1989	The authorized share capital was increased from Rs. 500,000 to Rs. 7,500,000
September 30, 1991	The authorised share capital was increased from Rs. 7,500,000 to Rs. 30,000,000
June 03, 1992	Our Company changed its name pursuant to the change in its status from a private to a public company
September 04, 1992	The authorised share capital was increased from Rs. 30,000,000 to Rs. 50,000,000
September 29, 1993	– The authorized share capital was increased from Rs. 50,000,000 to Rs. 60,000,000; – The main objects of our Company were amended; and – The other objects of our Company were amended.
October 5, 1994	– The authorized share capital was increased from Rs. 60,000,000 to Rs. 300,000,000; and – The main objects of our Company were amended
July 31, 1995	Change of name to ARM Limited
February 19, 1999	The main objects of our Company were amended
November 2, 2002	– Change of name to ICOM Tele Limited; and – The main and other objects of our Company were amended.
February 3, 2003	Change of name to ICOMM Tele Limited
February 6, 2008	The authorized share capital was increased from Rs. 300,000,000 to Rs. 370,001,000.
March 24, 2008	The authorized share capital was increased from Rs. 370,001,000 to Rs. 450,001,000.
November 21, 2008	– The authorised share capital was increased from 450,001,000 to Rs. 550,001,000; and – The main objects of our Company were amended.
March 18, 2010	The authorised share capital was reclassified from Rs. 550,001,000 sub-divided into (a) 48,000,000 Equity Shares of Rs. 10 each (b) 7,000,000 CCPS and (c) 100 equity shares with differential voting rights of Rs. 10 to Rs. 550,001,000 sub-divided into 55,000,100 Equity Shares of Rs. 10 each.

Key Events and Milestones

Date	Details
1989	Established Antenna and Masts Division
1990	Recognition for our in-house R&D by Department of Scientific & Industrial Research, New Delhi
1994	Awarded largest manufacturer of MARR Systems and Telecom Products from C-DOT
1995	Established the Turnkey Services Division, Special Projects (Strategic Electronics) Divisions
1999	Delivered Proto Model of Indigenously Developed FH-TDMA
2001	Assembly/manufacturing facility set up at Yanam for dense wavelength division multiplexing ("**DWDM**"), infrastructure and CDMA Handsets
2002	Execution of US$ 28 million order for 200,000 CDMA handsets/FWTs to BSNL and Handover of FH-TDMA to Customer for user trials
2003	– Execution of US$ 27 million DWDM Project and US$ 10 million CDMA Infra project for 105K lines on turnkey basic

Date	Details
	– Company received repeat orders for supply of FH-TDMA for Samyukta and Missile Communications
2005	Modernization and expansion of manufacturing facilities at Hyderabad for line material, isolators and transformers (power transmission and distribution)
2006	Commenced transformers manufacturing division
2007	– Company's tower manufacturing capacity expanded to 200,000 MTs per annum – Company enjoyed the position of largest manufacturing facility – Company started International operations in Sri Lanka and Bangladesh and set up the Solar Manufacturing Business Unit
2008	Commenced infrastructure business unit and private equity investment was made by IGF
2010	Wimax Project launched in Kerala for BSNL in association with Aviat Networks and Beceem Communications Inc.

Awards/certifications received by our Company

- Appreciation from Brahmos Aerospace in July, 2007 for the significant contribution made by our Company in meeting the target for handing over of the Brahmos Missile System to the Indian Army;

- Received an award from the Society of Indian Aerospace Technologies and Industries in February, 2009 for "Excellence in Aerospace Indigenisation 2008";

- Awarded the Amancherla Ramamurthy Silver Rolling Trophy from the Federation of Andhra Pradesh Chambers of Commerce and Industry, in July, 1996 for the "Best All Round Performance in Industrial Activity including Promotion/Expansion Effort in Andhra Pradesh" during the during the year 1995- 1996;

- Receivd an award from the Federation of Andhra Pradesh Chambers of Commerce and Industry, in September, 1995 for "Best Technological Development in Research and Development by Industrial/Scientific Organization in the state" for the year 1994-1995;

- Received the Telecom Productivity Award from C Dot Vendors Association, in February, 1994 for being the "Largest Manufacturer of MARR Systems" for the year 1992-1993; and

- Received an award from the Department of Electronics, Government of India, in October 1994 for "Excellence in Electronics, 1993".

Shareholding Pattern of our Company

The Company has 46 members as of the date of this Draft Red Herring Prospectus. For details of members and the Shareholding pattern of our Company, see "Capital Structure" on page 28 of this Draft Red Herring Prospectus.

Summary of Key Agreements

Share Subscription Agreement and Shareholders Agreement with India Growth Fund dated February 6, 2008

Our Company, Paturu Ramrao, Isitva Ventures Private Limited (formerly known as "PSR Builders and Developers Private Limited"), Paturu Vijaya Lakshmi, Sumanth Paturu, Paturu Ramrao (smaller HUF), Paturu Ramrao (bigger HUF) and India Growth Fund, a unit scheme of Kotak SEAF India Fund entered into a share subscription agreement dated February 6, 2008 ("**Share Subscription Agreement**") pursuant to which IGF invested and subscribed to 7,000,000 fully paid up CCPS and 100 fully paid up equity shares each with differential voting rights in our Company. Further to the same, the parties entered into a shareholders' agreement dated February 6, 2008 ("**IGF Shareholders Agreement**").

Supplementary Shareholders Agreement with India Growth Fund and Tano Mauritius India FVCI dated March 20, 2008

Our Company, Paturu Ramrao, Isitva Ventures Private Limited (formerly known as "PSR Builders and Developers Private Limited"), Paturu Vijaya Lakshmi, Sumanth Paturu, Paturu Ramrao (smaller HUF), Paturu Ramrao (bigger HUF), Tano Mauritius India FVCI ("**Tano**") and IGF have entered into a share purchase agreement dated March 20, 2008 ("Supplementary Share Subscription Agreement") pursuant to the purchase of 2,031,282 Equity Shares from PSR Builders and Developers Private Limited by Tano.

Further to the same, the parties have entered into a supplementary shareholders agreement dated March 20, 2008 ("**Supplementary Shareholders Agreement**", and together with the Shareholder Agreement, the "**Shareholders' Agreements**").

The Company, IGF and Tano have agreed, pursuant to separate amendment agreements each dated March 15, 2010 (hereinafter collectively, the "**Amendment Agreements**") to amend the Shareholders' Agreements.

Under the Amendment Agreements:

(i) 4,064,435 Equity Shares of the Company were issued to IGF pursuant to the conversion of all the CCPS

(ii) 100 equity shares with differential voting rights were made pari passu with the existing Equity Shares of the Company pursuant to the resolution passed by the Board of Directors on March 15, 2010.

The following are certain relevant provisions of the Shareholders' Agreements, as amended pursuant to the said amendments

*Shareholders Agreement dated February 6, 2008 between the Company, IGF, Promoter and others as amended by the Amendment Agreements dated March 18, 2010 ("**Amended IGF Agreement**"):*

(i) For the period of the Amended IGF Agreement (which will extend for three years post the date of the listing of our Equity Shares on the Exchanges unless terminated earlier), IGF is entitled to nominate 1 (One) Director to our Board. IGF is also entitled to nominate alternate directors to the Investor Director mentioned above.

(ii) The Amended IGF Agreement requires the presence of at least 2 (Two) Directors or one third of the total strength of the Board of Directors, whichever is higher. A valid quorum also requires that at least one of the Directors present at a Board meeting is a Director who is not nominated by the Promoter, Promoter Group or Group Entities. Similarly, the passing of circular resolutions by our Board requires least one Director who is not nominated by our Promoter, Promoter Group or Group Entities.

(iii) The Company is required to deliver to IGF certain periodic audited and un-audited financial statements Minutes of meetings of the Shareholders and Board of the Company and its Subsidiaries, annual operating financial budgets for the forthcoming year and additional information as reasonably requested by IGF. After listing of the equity shares of the Company on the Stock Exchanges, only such information as is provided to the stock exchanges under the terms of the listing agreement or is otherwise publicly available shall be provided to IGF.

The above rights have also been incorporated into the Articles of Association of the Company. For further details of the same refer to "Material Provisions of the Articles of Association" on page 260.

In addition to the above rights the Amended IGF Agreement also incorporates certain additional transfer restrictions on the equity shares held by the Promoter, members of the Promoter Group and certain Group Entities by way of Tag Along and Drag Along Rights, Our Promoter, members of our Promoter Group and certain Group Entities have also agreed under the IGF Agreement that they shall not cause or permit certain actions in the nature of strategic sales or liquidity events under the said agreements until the shares of our Company are listed on the Stock Exchanges.

Our Promoter, members of our Promoter Group and certain Group Entities have also agreed to indemnity IGF against breaches of the IGF Agreement and the Amended IGF Agreement from the date hereof.

None of the above Shareholders' Agreements grant any special or preferential rights to the Investors which survive the listing of the Equity Shares of the Company on the Stock Exchanges.

Shareholders Agreement with IGF, Tano and others dated March 20, 2008 as amended by the Amendment Agreement dated March 18, 2010 ("Amended TANO Agreement"):

The right granted to Tano by our Company Promoters are substantially similar to the rights granted to IGF under the Amended IGF Agreement. However Tano does not have a right to nominate a Director to our Board but merely has a right to nominate an observer to our Board and the boards of our Subsidiaries as well committee's thereof.

Certain other Agreements

Agreement dated March 15, 2010 between our Company, IGF and ICOMM Tele Employee Welfare Trust.

Under the aforesaid agreement, IGF has agreed to transfer a certain number of shares to the EW Trust on or prior to the date of filing of the Red Herring Prospectus by the Company with SEBI on the basis of the price band between which book building in the proposed issue is scheduled to take place.

Agreement to Sell dated March 27, 2010 between Tano and members of our Promoter Group.

Under the aforesaid agreement, certain members of our Promoter Group have agreed to transfer a fixed number of shares to Tano upon the receipt of approvals from the FIPB and the RBI for the said transfer.

Further, under the above agreement, Tano has agreed to transfer a certain number of shares to the aforesaid Promoter Group on or prior to the date of filing of the Red Herring Prospectus by the Company with SEBI on the basis of the price band between which book building in the proposed issue is scheduled to take place.

Memorandum of Understanding entered into between our Company and Isitva Ventures Private Limited dated December 1, 2008

The Company and Isitva Ventures Private Limited have entered into a Memorandum of Understanding ("**MOU**") dated December 1, 2008 for supply of manpower by IVPL to the Company, for various departments and projects undertaken by the Company at different locations. The MOU, amongst other aspects, provides that:

(i) The Company shall provide a list of personnel required for the job position and their qualifications to IVPL and IVPL shall intimate to the Company the availability of the personnel within three working days.

(ii) IVPL shall be responsible for payment of salaries to the personnel, deployed in the Company. Further, IVPL is responsible for complying with the statutory provisions inlcuding contributions to provident fund, gratuity, employee state insurance, payment of bonus and compliance under the contract labour act with respect to the personnel employed through it.

(iii) The MOU is valid until termination by either party on the following grounds:

   (a) If there is a breach or failure to perform by either party due to force majeure which persist for longer than 180 days from the date of occurrence of the event.

(b) The Company is entitled to terminate the agreement on the follwing grounds, subject to serving of ten days prior written notice to IVPL:

- IVPL assigns whole or part of the agreement to any third party without the written approval of ICOMM;
- IVPL's services fails to meet the reasonable requirements' of the Company; and
- The Company discovers and/or suspects that IVPL is committing or has committed any fraudulent acts against the Company.

Material Supply Agreement between our Company and Isitva Fasteners Private Limited dated March 30, 2010

The Company has entered into a material supply agreement (the "**Agreement**") with Isitva Fasteners Limited on March 30, 2010. Under the Agreement, IFL has agreed to sell bolts and nuts to the Company under most favoured terms in accordance with the technical specifications provided by the Company from time to time. Raw materials for the production of the nuts and bolts shall only be procured from suppliers that are approved by the Company and IFL shall offer all its produce exclusively to the Company and only in case the Company is not able to utilize the produce will IFL be allowed to sell its produce to other buyers. The Company also has the first right of refusal under the Agreement for any other orders that may be procured by IFL. The price for the produce will be determined on a case by case basis and shall be discounted by two percent on the lowest quotation obtained by the Company from other buyers. Liquidated damages shall be levied on IFL in case of failure to deliver the products on time. The Agreement is valid for a period of two years and may be terminated by either party in case of willful negligence or refusal to perform the contract by the other party. The Agreement may be assigned by a party with the consent of the other party.

Material Supply Agreement between our Company and Isitva Steel Private Limited dated March 30, 2010

The Company has entered into a material supply agreement (the "**Agreement**") with Isitva Steel Private Limited on March 30, 2010. Under the Agreement, ISPL has agreed to sell mild steel/high tensile steel ("**MS/HT**") angles to the Company under most favoured terms in accordance with the technical specifications provided by the Company or its customers from time to time. Raw materials such as billets required for production shall only be procured from reputed steel companies and ISPL shall offer all its produce exclusively to the Company and only in case the Company is not able to utilize the produce will ISPL be allowed to sell its produce to other buyers. The Company also has the first right of refusal under the Agreement for any other orders that may be procured by ISPL. The price for the supplies will be determined by the Company considering the market prices for different sizes of MS/HT angles and shall be discounted by two percent on the lowest quotation obtained by the Company from other buyers. Liquidated damages shall be levied on ISPL in case of failure to deliver the products on time. The Agreement is valid for a period of two years and may be terminated by either party in case of willful negligence or refusal to perform the contract by the other party. The Agreement may be assigned by a party with the consent of the other party.

Material Supply Agreement between our Company and ACD Communications Private Limited dated March 30, 2010

The Company has entered into a material supply agreement (the "**Agreement**") with ACD Communications Private Limited on February 15, 2009. Under the Agreement, ACDL has agreed to sell below poverty line kits ("**BPL Kits**"), low tension distribution boxes ("**LTBDs**") and other hardware items used in rural electrification to the Company under most favoured terms in accordance with the technical specifications provided by the Company or its customers from time to time. ACDL shall offer all its produce exclusively to the Company and only in case the Company is not able to utilize the produce will ACDL be allowed to sell its produce to other buyers. The Company also has the first right of refusal under the Agreement for any other orders that may be procured by ACDL. The price for the supplies will be determined by the Company considering the market prices for different sizes of BPL Kits and LTBDs and shall be discounted by two percent on the lowest quotation obtained by the Company from other buyers. Liquidated damages shall be levied on ACDL in case of failure to deliver the products on time. The Agreement is valid for a period of three years and may be terminated by either party in case of willful negligence or refusal to perform the contract by the other party. The Agreement may be assigned by a party with the consent of the other party.

Agreements with Strategic Partners

Supply Agreement entered into between the Company and Gemtek Technology Company Limited and Beceem Communications Inc. dated June 11, 2009

The Company and Gemtek Technology Company Limited ("**Gemtek**") have entered into a Supply Agreement on June 11, 2009 pursuant to the Company's participation in the tender issued by BSNL for supply, installation, commissioning and maintenance support of WiMax equipment in BSNL Kerala and Punjab network on turnkey basis. The agreement amongst other terms provides for:

(i) The Company will procure the supply of the Gemtek equipment with 10 ten working days from the date of the issuance of the purchase order by BSNL in various phases. Further the Company will also procure chipsets from Beceem Communications Inc. ("**Beceem**"). The chipsets will be shipped by Beceem with the advice of the Gemtek.

(ii) In the event of failure on the part of Gemtek to deliver the products within the prescribed time then the Company shall be entitled to recover one percent of the value of the delayed quantity of the product for each completed week for delay for period of 10 weeks and thereafter at the rate of two percent of the value of the delayed quantity of the product for each completed week of delay for another 10 weeks of delay. The maximum liquidated damages shall not exceed the total value of the delayed products.

(iii) The parties shall be liable jointly and severally for the execution of the agreement with Gemtek's liability limited to its scope and responsibilities in relation to Gemtek's equipment and services. The Company shall have the right to inspect and test the equipments and in the event it fails to satisfy the specifications, the Company is entitled to reject the same and Gemtek shall either replace the rejected goods or make all necessary alterations to meet the specification requirements.

In furtherance of the aforesaid agreement, the Company has entered into an arrangement dated May 30, 2009 with Beceem Communications Inc. in relation to supply of certain specifications of chipsets set out by BSNL in the tender dated 4-10-2008 pertaining to WiMax equipment.

The terms of the arrangement provides that Beceem shall work with Gemtek to ensure that materials supplied by Gemtek meets 100% technical compliance to BSNL. The equipment to be supplied for the BSNL project should be 'Wave 2' certified from WiMAX Forum which shall be the responsibility of Beceem at its own cost. Beceem has to supply the chipsets on an FOB Hong Kong airport basis to Gemtek, three (3) weeks in advance of the Gemtek shipment schedule.

In the event Beceem fails to deliver to Gemtek any consignment as per the agreed delivery schedule, the Company shall have the right to recover liquidated damages for delay, a sum equivalent to one percent of the value of the delayed supply and/or undelivered material/supply for each week of delay or part thereof.

Equipment Supply Agreement entered into between the Company and Telsima Corporation dated May 27, 2009

The Company has entered into an Equipment Supply Agreement dated May 27, 2009 with Telsima Corporation (which was subsequently acquired by Aviat Networks) pursuant to the Company's participation in the tender issued by BSNL for supply, installation, commissioning and maintenance support of WiMax equipment in BSNL Kerala and Punjab network on turnkey basis. The agreement, amongst other terms, provides that:

(i) The Company shall issue purchase orders for the supply of equipments to Telsima within 10 working days from the date of the issuance of the order from BSNL. Telsima shall supply the equipment on FCA terms port of embarkment and shall be responsible for handing over the equipment within the specified delivery schedule to the Company's designated freight forwwader in a marketable condition; and

(ii) In the event Telsima fails to deliver the equipments within the specified period the Company shall be entitled to recover liquidated damages for delay for a sum equivalent to half percent of the value of the delayed supply or undelivered supply for each week of delay or part thereof, for a period of 10 weeks and thereafter at the rate of 0.7 percent of the value of the value of the delayed supply or undelivered supply for each week of delay or part thereof, for additional 10 weeks of delay. The total value of the liquidated damages shall be limited to a maximum of 12 percent of the purchase order value of the equipment.

Memorandum of Understanding entered into between the Company and JSC Purpetruboprovodstroy dated October 21, 2009

The Company has entered into a Memorandum of Understanding ("**MOU**") dated October 21, 2009 with JSC Purpetruboprovodstroy, a company governed under the laws of Russian Federation, in order to collaborate with them for the purpose of evaluating opportunities to join, pre-qualify, tender and implement projects for the bid invited by Indian Oil Corporation Limited (Pipe Line Division) for laying 16'' OD, 218 km long cross country petroleum product pipeline from Viramgam to Churwa and hooking up with existing 13 km, 22'' OD Churawa – Kandla section of erstwhile KBPL including installation of pipeline across Road through Horizontal Directional Drilling (HDD) technique and associated facilities. The term of the MOU shall be for 12 months. However the MOU may be terminated on the happening of the following: (a) on the tender being awarded to third party, (b) on the tender being cancelled by the client, (c) Bankruptcy /winding up proceedings being initiated against any of the party, (d) by mutual agreement among the parties. Such termination being without further obligation or liability between the parties pursuant to this MOU.

Lease Deeds for the Registered Office of the Company dated March 7, 2003

The Company has entered into two lease deeds dated March 7, 2003 with (i) Dr. K. Satyanarayana, and (ii) Dr. K. Sivaramakrishna ("**Lessors**") in relation to the office space admeasuring 3,907 Sq. ft, in the third floor at Trendset Towers, Road No.2, Banjara Hills, Hyderabad 500 034. The terms of the leases are for a period of nine years from February 1, 2003. The Company shall have the option to renew the lease for a further period after the expiry of the lease period. The Company is permitted to sublease or part with the possession of the premises in favour of any third party with the prior consent of the Lessors.

Our Subsidiaries

ICOMM currently has three wholly owned Subsidiaries. None of these Subsidiaries have made any public or rights issue and have not been declared as sick companies under the meaning of SICA and are not under winding up. No applications have been made in respect of any of the Indian Subsidiaries to the respective Registrar of Companies for striking off their names.

Vasitva Ispat Limited

VIL was incorporated on January 24, 2008, under the Companies Act. This company is engaged in the business of manufacture of steel and related products. The registered office of this company is situated at 304, Trendset Towers, Road No.2, Banjara Hills, Hyderabad 500 034.

The authorized share capital of VIL is Rs. 250,000,000 divided into 25,000,000 equity shares of Rs.10 each.

Board of directors:

Name	Designation
G.Sridhar	Director
Paturu Vijaya Lakshmi	Director
Dr. Paturu Kavita	Director

Shareholding pattern

The shareholding pattern as on March 30, 2010 is as follows:

Name of the shareholders	No. of Shares	Percentage
ICOMM Tele Limited	199,400	99.70
Paturu Vijaya Lakshmi*	100	0.05
Sumanth Paturu*	100	0.05
P. Hanumantha Rao*	100	0.05
Dr. Paturu Kavita*	100	0.05
G. Sridhar*	100	0.05
P. Hemanth*	100	0.05
Total	**200,000**	**100.00**

* *As nominees of ICOMM.*

Financial Performance:

The summary audited financial statements of VIL for the FY ended March 31, 2009 are as follows:

(Rs. in million, except share data)

Particulars	Six months ended September 30, 2009	FY ended March 31, 2009
Equity Capital	2	2
Reserves	-	-
Preliminary / Share Issue Expenses	8.15	5.73
Sales	-	-
Profit/(Loss) after Tax	-	-
Earnings Per equity share (EPS)	-	-
Net Asset Value (NAV) per equity share	-	-

As this company was incorporated in 2008, no financial information is available for fiscal years 2008 and 2007.

ICOMM Energy Limited

IEL was incorporated on September 5, 2008 under the Companies Act. This company is engaged in the business of producing, processing, generating and utilizing conventional and non-conventional renewable energy sources. The registered office of IEL is situated at 304, Trendset Towers, Road No.2, Banjara Hills, Hyderabad 500 034.

The authorized share capital of IEL is Rs. 50,000,000 divided into 5,000,000 equity shares of Rs.10 each.

Board of directors

Name	Designation
Dr. Paturu Kavita	Whole Time Director
Chunduru Sambasiva Rao	Director
G. Sridhar	Director
Paturu Nivedita Rani	Director

Shareholding pattern

The shareholding pattern as on March 30, 2010 is as follows:

Name of the shareholders	No. of Shares	Percentage
ICOMM Tele Limited	49,994	99.99
Paturu Ramrao *	1	0

Name of the shareholders	No. of Shares	Percentage
Paturu Vijaya Lakshmi*	1	0
K. Gopi Krishna*	1	0
Dr. Paturu Kavita*	1	0
G. Sridhar*	1	0
P. Hanumantha Rao*	1	0
Total	50,000	**100.00**

* *As nominee of ICOMM.*

Financial Performance

The summary audited financial statements of IEL for the FY ended March 31, 2009 are as follows:

(Rs. in million, except share data)

Particulars	Six months ended September 30, 2009	FY ended March 31, 2009
Equity Capital	0.50	0.50
Reserves	-	-
Preliminary / Share Issue Expenses	0.44	0.44
Sales	-	-
Profit/(Loss) after Tax	-	-
Earnings Per equity share (EPS)	-	-
Net Asset Value (NAV) per equity share	-	-

As this company was incorporated in 2008, no financial information is available for fiscal years 2008 and 2007.

ICOMM International Lanka (Private) Limited

IILPL was incorporated on October 4, 2007 under the Company's Act No. 7 of 2007 of Sri Lanka. This company is engaged in the business of telecom turnkey services. The registered office is IILPL is situated at 4/99 L Thalakotuwa Gardens, Polhengoda, Colombo 5, Sri Lanka.

The authorized share capital of IILPL is LKR 30,000,000.

Board of directors

Name	Designation
Sumanth Paturu	Chairman
Chunduru Sambasiva Rao	Director
M.S. Rao	Director
Sumedh C. Deshpande	Director

Shareholding pattern

The shareholding pattern of IILPL as on March 30, 2010 is as follows:

Name of the shareholders	No. of Shares	Percentage
ICOMM Tele Limited	2,735,125	100
Chunduru Sambasiva Rao*	1	0
Sumanth Paturu*	1	0
M.S. Rao*	1	0
Total	**2,735,128**	**100.00**

* *As nominee of ICOMM.*

Financial Performance

The summary audited financial statements of IILPL for the FY ended March 31, 2009 and 2008 are as follows:

(LKR in million, except share data)

Particulars	Six months ended September 30, 2009	FY ended March 31,	
		2009	2008
Equity Capital	27.351	27.351	27.351
Reserves	(24.367)	(19.618)	(5.659)
Preliminary / Share Issue Expenses	-	-	-
Sales	9.564	80.304	15.229
Profit/(Loss) after Tax	(4.748)	(13.959)	(5.659)
Earnings Per equity share (EPS)	(1.74)	(5.10)	(2.07)
Net Asset Value (NAV) per equity share	-	-	-

As this company was incorporated in 2007, no financial information is available for Fiscal 2007.

OUR MANAGEMENT

Under our Articles of Association we cannot have fewer than two directors and more than 12 directors. We currently have nine Directors on our Board.

The following table sets forth details regarding our Board as of the date of filing the Draft Red Herring Prospectus with SEBI

Name, Designation, Father's Name, Address, Occupation and DIN	Age (Years)	DIN	Nationality	Other Directorships
Pradeep Shankar S/o Late Krishna Swarup Mathur Appointed as Chairman, Non Executive and Independent Director on November 26, 2009 Address: K 2 Villa, Central Park Sector 42, Gurgaon 122 009, Haryana Occupation: Retd. Banker Term: Liable to retire by rotation	61	02179835	Indian	• M. G. FLO2GO Technology Private Limited
Sumanth Paturu S/o Paturu Ramrao Appointed as Managing Director on September 26, 2008 Address: 2-2-20/21 A (C-10 & 11), D.D. Colony Hyderabad 500 007 Occupation: Industrialist Term: Five years as Managing Director from October 1, 2008	33	00137669	Indian	• ICOM Limited • ICOMM International Lanka (Private) Limited
Mohanram Subbarao S/o Kashipathi Subbarao Appointed as Managing Director on March 30, 2009 Address: Plot No. 31, Saketh Mithila, Saketh Township, Kapra, ECIL, Hyderabad 500 062 Occupation: Service Term: Two years as the Managing Director from April 1, 2009	61	02663348	Indian	-
Trilochan Panda S/o Dibakar Panda Appointed as Director (Finance) on August 28, 2009	47	00836793	Indian	-

Name, Designation, Father's Name, Address, Occupation and DIN	Age (Years)	DIN	Nationality	Other Directorships
Address: 95, Saket Mithila Colony, Kapra, Hyderabad 500 062 Occupation: Service Term: Two years as the Director (Finance) from August 28, 2009				
Chunduru Sambasiva Rao S/o Chunduru Venkateswarlu Appointed as Non Executive Director on June 29, 2007 Address: 500, 13 Main 21 Cross, BSK II Stage Bangalore 560 070 Occupation: Service Term: Liable to retire by rotation	55	0157576	Indian	• ICOMM International Lanka (Private) Limited • Bay Datacom Private Limited • ICOM Limited • ICOMM Energy Limited
Dr. Arogyaswami Joseph Paulraj S/o Arogyaswami Sinnapan Appointed as Non Executive Independent Director on August 26, 1994 Address: 821, Tolman Dr., Standford, CA- 94305, Stanford, 94395, USA Occupation: Professor Term: Liable to retire by rotation	64	00303097	Indian	• Beceem Comm (India) Private Limited
Maj. Gen. (Retd.) Paramjit Singh Arora S/o Balbir Singh Appointed as Non Executive Independent Director on November 26, 2009 Address: D-323, First Floor, Defence Colony, New Delhi-110024 Occupation: Major General (Retd.) Term: Liable to retire by rotation	62	02982988	Indian	Nil
Kunisetty Venkata Ramakrishna S/o K. Subba Rao Appointed as Nominee Director and Non Executive Director on	40	00133248	Indian	• Dynaspede Integrated Systems Private Limited • Four Soft Limited • Sabare International

Name, Designation, Father's Name, Address, Occupation and DIN	Age (Years)	DIN	Nationality	Other Directorships
November 21, 2008 Address: Flat 301, Orchid, Hiranandani Meadows, Gladys Alwares Marg, Off. Pokhran Road No.2, Thane 400 610 Occupation: Professional Term: Liable to retire by rotation				
Percy Homi Italia S/o Late Homi N. Italia Appointed as Non Executive Independent Director on March 15, 2010 Address: 153/1, Sappers Lines, Secunderabad-500003 Occupation: Chartered Accountant Term: Liable to retire by rotation	59	00033962	British	Nil

None of our Directors are related to each other.

Brief Profile of the Directors

Pradeep Shankar, aged 61 years, is the Chairman of the Company. He joined the Company on November 26, 2009. Pradeep Shankar has a Masters Degree in Physics from Meerut University and is a certified associate of the Indian Institute of Bankers, Bombay. Pradeep Shankar has approximately 40 years of experience in the banking sector and has worked with various banks including State Bank of Travancore, State Bank of Hyderabad and State Bank of Patiala. Prior to joining this Company, Pradeep Shankar was the managing director of State Bank of Indore.

Sumanth Paturu, aged 33 years, is the Managing Director of the Company. He joined the Company on August 26, 1994 and was appointed as the Managing Director for a period of five years on September 26, 2008 with effect from October 1, 2008. He has 13 years of experience in entrepreneurial and strategic management in telecom, power and solar business segments. He was awarded the "Most Promising Entrepreneur", in December, 2009 at the Asia Pacific Entrepreneurship Awards. Sumanth Paturu is also a member of the Young Entreprenuers Organization. For the 15 month period ended September 30, 2009, the total remuneration he received was Rs. 7,143,750.

Mohanram Subbarao, aged 61 years, is the Managing Director of the Company. He joined the Company on March 30, 2009 and was appointed as a Managing Director for a term of two years. Mohanram Subbarao has a B.E. (Electrical) degree from University of Mysore, Mysore and a post granduate degree in industrial engineering from National Institute of Industrial Engineering. He also has post graduate diplomas in Management and Development Planning and Management from FMS-AIMA Executive Program and Institute of Development Studies respectively. Mohanram Subbarao has 38 years of experience in power transmission, power distribution and renewable energy sector in India and aboard. Prior to joining the Company, Mohanram Subbarao was with various organizations including, Karnataka State Electricity Board, National Thermal Power Corporation, Power Grid Corporation of India Limited, Best & Crompton Engineering Limited, Alstom (AEG) and Uttarakhand Power Corporation Limited. For the the 15 month period the total remuneration he received was Rs. 2,176,153.

Trilochan Panda, aged 47 years, is the Director (Finance) of the Company. He joined the Company on August 28, 2009. He holds a Bachelors Degree in Commerce (Hons.) from the Ravenshaw College, Cuttack and is a member of the Institute of Chartered Accountants of India. Trilochan Panda has over 20 years of experience in the fields of finance and accounts. Prior to joining the Company, Trilochan Panda was with various organizations, including, Uttarakhand Power Corporation Limited and Orissa Mining Corporation Limited, and as the managing director of Power Transmission Corporation of Uttarakhand Limited. For the 15 month period ended September 30, 2009, the total remuneration he received was Rs. 436,400.

Chunduru Sambasiva Rao, aged 55 years, is a Director of the Company. He joined the Company on June 29, 2007. He has a Bachelor's Degree in electrical engineering from the Indian Institute of Technology, Madras and a Masters Degree in Electrical Engineering. Chunduru Sambasiva Rao has over 30 years of experience in strategic business development and technological leadership with fiscal responsibilities in the areas of, software development, product development, sales, marketing and international telecom services (ILD/NLD) operations in the Indian telecom sector. Prior to joining the Company, he was with BT India Private Limited as its managing director, Lucen, India, as its president and chief executive officer, Tellabs, India as its managing director and was part of a twelve member team at CDOT, India involved in developing the Indigenous Digital Switching System. Chunduru Sambasiva Rao received the National Research and Development Council Award from the President of India for developing a custom built computer for the Indian Army. He was the Chairman of Communications & Convergence Committee of Association of Chambers of Commerce Association and is also a member of Confederation of Indian Indusrty and Federation of India Chambers of Commerce and Indusrty.

Dr. Arogyaswamy Joseph Paulraj, aged 64, is a Director of the Company. He joined the Company on August 26, 1994. Dr. Arogyaswamy Joseph Paulraj was awarded the Padma Bhushan (Science and Engineering) by the President of India for his contribution to wireless research. He is a professor at the Department of Electrical Engineering at Stanford University. Dr. Arogyaswamy Joseph Paulraj is a Fellow of Indian National Academy of Engineering. In 1999, Dr. Arogyaswamy Joseph Paulraj founded Iospan Wireless Inc., which was then acquired by Intel Corporation. In 2004, Dr. Arogyaswamy Joseph Paulraj co-founded Beceem Communications Inc. Dr. Arogyaswamy Joseph Paulraj is also a member of the US National Academy of Engineering. He received the Technical Achievement Award in 2003 from IEEE. He was acclaimed as the "Father of WIMAX" by Business Week, USA. Dr. Arogyaswamy Joseph Paulraj has authored over 320 research papers, two books on wireless communications and holds 30 U.S. patents in the wireless space.

Maj. Gen. (Retd.) Paramjit Singh Arora, aged 62 years, is an independent director on the Board of the Company. He has a post graduation degree in engineering from Indian Institute of Technology, Kanpur and in business management from National Defence Academy. Maj. Gen. (Retd.) Paramjit Singh Arora has almost 40 years of experience in the Indian Army and Cabinet Secretariat, Government of India and has experience in the field of defence, telecom, IT infrastructure development, tactical communications, project planning and evaluation, operation and maintenance of networks and associated concomitant logistics.

Kunisetty Venkata Ramakrishna, aged 40 years, is a Nominee Director of IGF on the Board of the Company. He joined the Board of the Company on November 21, 2008 when he was nominated pursuant to the IGF Shareholders Agreement dated February 6, 2008. He is also an executive of Kotak Investment Advisors Limited. Kunisetty Venkata Ramakrishna has a degree in computer science & engineering from National Institute of Technology, Warangal and a post graduate degree in management from Indian Institute of Management, Bangalore. He has over 15 years of experience in the field of private equity and venture capital transactions. Prior to joining this Company, Kunisetty Venkata Ramakrishna was with Carlyle Asia Venture Partners, part of the Carlyle Group, with ICICI Ventures, part of the ICICI Group and with Tata Motors Limited.

Percy Homi Italia, aged 59 years, is an independent director on the Board of the Company. He is a fellow member of the Institute of Chartered Accountants of India ("**ICAI**") and has graduated from the Institute of Cost and Management Accountants (England and Wales). Percy Homi Italia is a senior partner at Italia & Associates, Hyderabad prior to which he worked with Deloitte LLP, UK. He specializes in the fields of insurance and merchant banking. Percy Homi Italia is currently a member of the International Audit Committee of NEXIA International.

None of our Directors have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others, except, Kunisetty Venkata Ramakrishna, who is a nominee of IGF.

Borrowing Powers of the Board

Pursuant to the resolution passed by the shareholders of the Company at their AGM held on November 21, 2008 and in accordance with the provisions of the Companies Act, the Board has been authorized to borrow monies (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) time to time, for the purpose of Company's business in excess of the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), provided that the total amount of such borrowings, shall not exceed Rs. 3,000 million over and above the aggregate, for the time being, of the paid up capital and free reserves of the Company.

Terms of Appointment of the Executive Directors

Sumanth Paturu

Pursuant to a board resolution dated September 26, 2008 and approved by the shareholders resolution dated November 21, 2008, we have appointed Sumanth Paturu as the Managing Director of our Company for a period of five years with effect from October 1, 2008. During the tenure of his appointment as the Managing Director, he is entitled to a basic salary of Rs. 0.3 million per month, house rent allowance which will be 40% of his basic salary and reimbursement for expenditure on gas, electricity, water and other furnishings which shall not exceed 10% of his basic salary. Sumanth Paturu is also entitled to leave travel concession for himself and his family, medical reimbursement, club fees, personal accident insurance subject to certain restrictions and contribution towards provident fund, gratuity, other annuity funds and other perquisites and allowances as per the rules of the Company. Sumanth Paturu is also entitled to a commission on profits equivalent to one percent of the profits before tax of each year, subject to a maximum of Rs. 5 million per annum.

Mohanram Subbarao

Pursuant to a board resolution dated March 30, 2009 and approved by the shareholders resolution dated February 26, 2010, we have appointed Mohanram Subbarao as the Managing Director of our Company for a period of two years with effect from April 1, 2009. During the tenure of his appointment as the Managing Director is entitled to a basic salary of Rs. 0.15 million per month, conveyance, leave travel concession for himself and his family, medical reimbursement, club fees, personal accident insurance subject to certain restrictions and contribution towards provident fund, gratuity, other annuity funds and other perquisites and allowances as per the rules of the Company. Mohanram Subbarao is also entitled to performance incentive to a maximum of Rs. 1.5 million per annum.

Trilochan Panda

Pursuant to a board resolution dated August 28, 2009 and approved by the shareholders resolution dated February 26, 2010, we have appointed Trilochan Panda as the Director (Finance) of our Company for a period of two years with effect from August 28, 2009. During the tenure of his appointment as the Director (Finance) is entitled to a basic salary of Rs. 0.09 million per month, a house rent allowance which will be 40% of his basic salary. Trilochan Panda is also entitled to conveyance, leave travel concession for himself and his family, medical reimbursement, personal accident insurance subject to certain restrictions and contribution towards provident fund, gratuity, other annuity funds and other perquisites and allowances as per the rules of the Company. Trilochan Panda is also entitled to a performance incentive to a maximum of Rs. 0.5 million per annum.

Other service contracts entered into with the Directors

None of the Directors of the Company have entered into any service contract with the Company.

Details of Remuneration of the Directors

The following table sets forth the remuneration paid to the Company's executive Directors during the 15 months ended September 30, 2009:

(Rs. in million)

Name of the Director	Salary	Monetary Value of Perquisites	Contribution to the Provident Fund	Total
Sumanth Paturu	7.13	4.02	0.71	11.86
Mohanram Subbarao	3.03	0.03	0.12	3.18
Trilochan Panda	0.47	0.02	0.01	0.51
Chundur Sambasiva Rao	2.30	-	0.12	2.42
Total	**12.93**	**4.08**	**0.96**	**17.97**

The following table sets the remuneration paid to the Company's non-executive Directors during the 15 months ended September 30, 2009:

(Rs. in million)

Name of the Director	Sitting fees paid during financial year 2008 (Rs. In million)	Commission paid during financial year 2008 (Rs. In million)	Total (Rs. In million)
Chunduru Sambasiva Rao	0.045	-	0.045
M. Yugandhar	0.025	-	0.025
Dr. Arogyaswamy Joseph Paulraj	0.010	-	0.010
Kunisetty Venkata Ramakrishna	0.045	-	0.045
M. Sairam	0.015	-	0.015

Further, the sitting fees payable to each of our non-executive directors is Rs. 5,000 for each board meeting.

Corporate Governance

The provisions of the Listing Agreement to be entered into with BSE and NSE and the SEBI Regulations 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 undertakes to adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges on listing (Clause 49). The Board of Directors consists of a total of nine directors of which four are independent directors (as defined under Clause 49), which constitutes more than 1/3 of our Board of Directors. This is in compliance with the requirements of Clause 49 as our Chairman is a non-executive and independent Director. The Board functions either on its own or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically. In terms of Clause 49, our Company has already appointed independent Directors and constituted the following committees:

Audit Committee

Members:	Pradeep Shankar (Chairman)	Independent Director
	Percy Homi Italia	Independent Director
	Kunisetty Venkata Ramakrishna	Non-Independent Director

The Audit Committee was originally constituted on April 5, 2001 and was further reconstituted on March 15, 2010. The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of our Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

Terms of reference / scope of the Audit Committee are:

General Functions and Powers:

- Overseeing the Company's financial reporting process and disclosure of its financial information;
- Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee;
- Approval of payments to the statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements and the applicable accounting standards;
  - Disclosure of any related party transactions;
  - Any related party transactions, i.e., transaction of the Company of material nature, with promoters or the management, their relatives or subsidiaries, etc., that may have potential conflict with the interest of the Company at large; and
  - Qualifications in the draft audit report.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing the Company's financial and risk management policies;
- Discussion with internal auditors any significant findings and follow up there on;
- 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;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

Shareholders'/Investors' Grievance Committee

Members:	Maj. Gen. (Retd.) Paramjit Singh Arora	Independent Director
	Percy Homi Italia	Independent Director
	Kunisetty Venkata Ramakrishna	Non- Independent Director

The Shareholders'/Investors' Grievance Committee has been constituted pursuant to the Board resolution dated February 24, 2010 and subsequently reconstituted on March 15, 2010. This Committee is responsible for the redressal of shareholder grievances.

The terms of reference of the Investor Grievance Committee are as follows:

- To approve allotment of shares, debentures and other securities as per the authority conferred/ to be conferred to the Committee by the Board of Directors from time to time;
- To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name etc., of shares, debentures and securities, which are above 5,000 in number in each individual case per transfer deed/per application received by our Company;
- To authorize the officers of our Company to approve the requests for transfer, transposition, deletion, consolidation, sub-division, change of name etc., of shares, debentures and securities up to 5,000 in numbers in each individual case per transfer deed/per application received by our Company;
- To monitor, under the supervision of our Company Secretary, the complaints received by our Company from SEBI, Stock Exchanges, Department of Company Affairs, RoC and the Share/Debenture/Security holders of our Company etc., and the action taken for redressal of the same;
- To approve and ratify the action taken by the authorised Officers of our Company in compliance with the requests received from the Shareholders/Investors for issue of duplicate/replacement/ consolidation/ sub-division share certificates and other purposes for the shares, debentures and securities of the Company;
- To monitor and expedite the status and process of dematerialisation and dematerialisation of shares, debentures and securities of our Company; and
- To give directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of our Company, from time to time, for issuance of share certificates, debenture certificates, allotment letters, warrants, pay orders, cheques and other related stationary.

Remuneration Committee

Members:	Percy Homi Italia (Chairman)	Independent Director
	Maj. Gen. (Retd.) Paramjit Singh Arora	Independent Director
	Kunisetty Venkata Ramakrishna	Non-Independent Director

The Remuneration Committee was reconstituted on March 15, 2010. This Committee is responsible for determining the remuneration of executive directors of our Company.

The terms of reference/ scope of the Remuneration Committee are as follows:

- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- to ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;
- to develop and implement a plan for identifying and assessing competencies of directors;
- to identify individuals who are qualified to become board members, taking into account a variety of factors, including, but not limited to:
  - the range of skills currently represented on the board;

  - the skills, expertise, experience (including commercial and/or industry experience) and particular qualities that make individuals suitable to be a director of our Company; and/or
  - the individual's understanding of technical, accounting, finance and legal matters;
- to make recommendations for the appointment and removal of directors;
- ensure that our Company has in place programmes for the effective induction of new directors;
- to review, on an ongoing basis, the structure of the board, its committees and their interrelationship;
- to determine a broad policy for the remuneration of executive directors, the chairman of our Company and such other members of senior management as it is designated to consider;
- within the terms of the agreed policy, determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options;
- Carrying out any other function contained in the Listing Agreement as and when amended from time to time;
- Perform such functions as are required to be performed by the Remuneration Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("**ESOP Guidelines**"), in particular, those stated in Clause 5 of the ESOP Guidelines; and
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

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 the 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 following the listing of our Equity Shares.

Shareholding of Directors in the Company

S.No.	Name of the Director	No. of Equity Shares	Pre-Issue Percentage Shareholding	Post-Issue Percentage Shareholding
(a)	Sumanth Paturu	13,179,461	33.10	[●]
(b)	Chunduru Sambasiva Rao	7,500	0.02	[●]
(c)	Dr. Arogyaswamy Joseph Paulraj	5,000	0.01	[●]
	Total	14,418,819		

Interest of our Directors

All the Directors may be deemed to be interested to the extent of fees payable to them if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company. In addition, the compensation payable to Directors may include commission representing a percentage of profits subject to the limit prescribed under law.

All the Directors, including independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by or that may be subscribed for and allotted to them or to the companies, firms and trusts, in which they are interested as directors, members, partners and/or trustees, out of the Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. The Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees. The Directors may also be deemed to be interested to the extent of the fees and other payments that may be made to companies in which they are directors.

The Directors have no interest in any property acquired by the Company within two years of the date of this Draft Red Herring Prospectus.

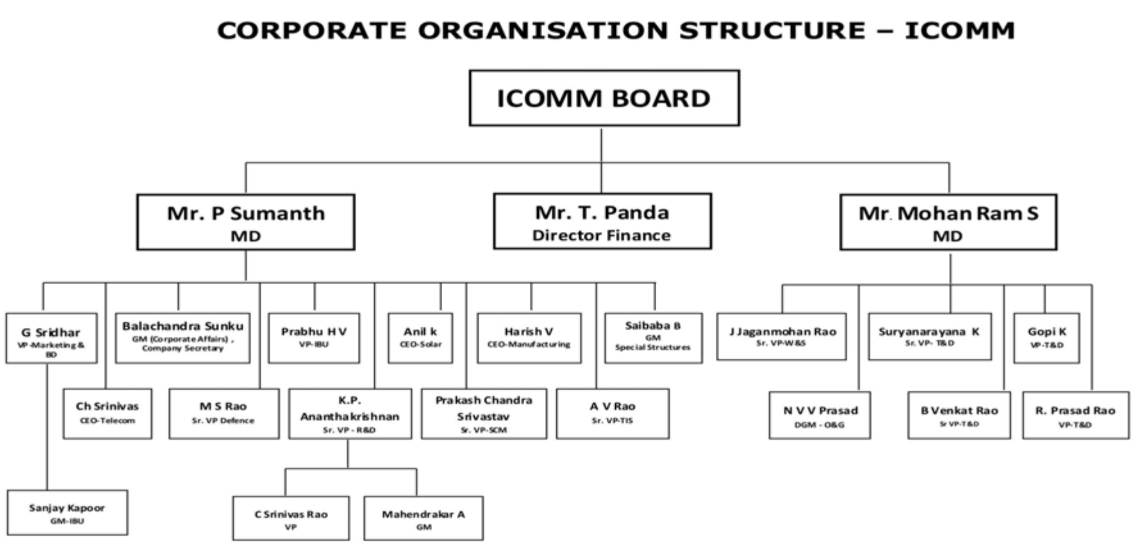
Except as stated in “Related Party Transactions” on page 140 of this Draft Red Herring Prospectus, the Directors do not have any other interest in the business of the Company.

Changes in our Board of Directors in the Last Three Years

The following changes have occurred in Board of Directors of the Company in the last three years:

Name of Director	Date of Appointment	Date of Cessation	Reason*
K. Thanu Pillai	-	June 13, 2008	Resignation
Sumanth Paturu	September 26, 2008 (as Managing Director)	-	Appointed
N.K. Prasad	-	January 11, 2008	Resignation
Brig. K. Nandan	-	February 5, 2008	Resignation
Chunduru Sambasiva Rao	June 29, 2007	-	Appointment
M. Yugandhar	-	June 15, 2009	Resignation
Kunisetty Venkata Ramakrishna	February 23, 2008	November 21, 2008	Resignation
Kunisetty Venkata Ramakrishna	November 21, 2008	-	Appointed
Mocherla Sairam	September 26, 2008	February 24, 2010	Resignation
Mohanram Subbarao	March 30, 2009	-	Appointed
Trilochan Panda	August 28, 2009	-	Appointed
Pradeep Shankar	November 26, 2009	-	Appointed
Maj. Gen. (Retd.) Paramjit Singh Arora	November 26, 2009	-	Appointed
Percy Homi Italia	March 15, 2010	-	Appointed

Organisational Chart



Key Management Personnel

The details of our Key Management Personnel are as under:

K.P. Anantha Krishnan, aged 60 years and an Indian national, is the Senior Vice-president of the Company. He is also the head of the Research and Development division of the Company. He holds a Bachelors degree in Electronics, from University of Madras. K.P. Anantha Krishnan joined the Company on October 8, 1994. He has over 33 years experience in the field of electronics research and development and quality systems. Before the joining the Company, he was with Electronics Corporation of India Limited. In the 15 months ended September 30, 2009, the total remuneration that he received was Rs. 1.63 million.

Ch. Srinivas, aged 41 years and an US national and Overseas Citizen of India, is the chief operating officer for the telecom division of the Company. He holds a Masters Degree in Sciencefrom University of Nebraska-Lincoln (UNL), USA and a post graduate degree in Management from Indian School of Business, Hyderabad. Ch. Srinivas joined the Company on July 14, 2008. He has 15 years of experience in the fields of software designing, program management in information technologies and telecom segments. Before the joining the Company, he worked with Hewlett Packard India Limited. In the 15 months ended September 30, 2009, the total remuneration that he received was Rs. 3.21 million.

V. Harish, aged 56 years and an Indian national, is the chief operating officer for the manufacturing division of the Company. He holds a Masters Degree in Technology from Osmania University, Hyderabad. V. Harish joined the Company on December 28, 2009. He has 31 years of experience in the fields of manufacturing. Before the joining the Company, he was with Mishra Dhatu Nigam Limited, Metal Lamp Caps Limited, Karnataka Tele Cable Limited, RPG Cables Limited and KEC International.

S. Hemalata, aged 58 years and an Indian national, is the chief operating officer for the solar division of the Company. She holds a Dipoloma in Electronics & Telecommunication &Computer science & Engineering from the Institution of Electronics and Telecommunication Engineers, New Delhi. S. Hemalata joined the Company on January 20, 2010. She has over 37 years experience in the fields of engineering, technology, CDM, WLL and solar photovoltaic cells and modules. Before the joining the Company, she has worked with various organisations, including, Electronics Corporation of India Limited, Titan Energy Systems, Solar Semi Conductors Private Limited.

M. Sreenivasa Rao, aged 44 years and an Indian national, is the Senior Vice-president for the defence division of the Company. He holds a Masters Degree in Technology from Indian Institute of Technology, Chennai. M. Sreenivasa Rao joined the Company on May 1, 1992. He has over 23 years experience in the field of electronics and quality systems. Before the joining the Company, he was with Hindustan Aeronautics Limited. In the 15 months ended September 30, 2009, the total remuneration that he received was Rs. 1.57 million.

J.V. Jaganmohan Rao, aged 58 years and an Indian national, is the Senior Vice President for the Infra division of the Company. He holds a Masters Degree in electronics from Andhra University. J.V. Jaganmohan Rao joined the Company on October 6, 2007. He has 34 years of experience in the field project management. Before the joining the Company, J.V. Jaganmohan Rao was with Electronics Corporation of India Limited, ARM Limited, Alstom Projects India Limited. In the 15 months ended September 30, 2009, the total remuneration that he received was Rs. 2 million.

K. Gopi Krishna, aged 35 years and an Indian national, is the Vice-president for the information technology and projects division of the Company. He holds a Bachelors degree in Computers from Osmania University, Hyderabad. K. Gopi Krishna joined the Company on April 5, 2007. He has over 13 years experience in the fields of systems management and projects implementation in IT and manufacturing industries. Before the joining the Company, K. Gopi Krishna was with IBM, Daimler Chrysler, Ford Motor Company and General Motors. In the 15 months ended September 30, 2009, the total remuneration that he received was Rs. 2.32 million.

Harisha V. Prabhu, aged 43 years and an Indian national, is the Vice President for the International Business Unit of the Company. He holds a Diploma in Electrical Engineering from Technical Board, Karnataka. Harisha V. Prabhu joined the Company on October 23, 2009. He has over 21 years experience in the fields of business development and project management in power transmission projects. Before the joining the Company, he was with GM Lightings Private Limited, KEC International and Associated Transrail Structures Limited.

G. Sridhar, aged 36 years and an Indian national, is the Vice President for the Marketing and Business Development of the Company. He holds a Masters degree in Information Technolgy from Monash University, Australia. G. Sridhar joined the Company on December 1, 1998. He has 12 years of experience in the field of Marketing and Business Development in telecom and power business segments. In the 15 months ended September 30, 2009, the total remuneration that he received was Rs. 2.32 million.

C.S. Balachandra Sunku, aged 41 years and an Indian national, is the General Manager (Corporate Affairs) and Company Secretary of the Company. He also acts as the Compliance Officer of the Company. C.S. Balachandra Sunku joined the Company on March 17, 2008. He is qualified as a member of the Institute of Company Secretaries of India, New Delhi and has over eight years of experience in the area of corporate affairs, secretarial and general administration. Before joining the Company, C.S. Balachandra Sunku was with Shiva Shakthi Bio-Plantech Limited as a company secretary. The total remuneration received by him in the 15 months ended September 30, 2009 was Rs. 0.78 million.

All our key management personnel are permanent employees of the Company and none of key management personnel are related to each other.

Retirement Benefits of Key Management Personnel

Our key management personnel are entitled to the benefits in regard to the gratuity and provident fund as per applicable law. The Company provides for payment of gratuity to employees at retirement or termination of employment due to resignation who have rendered continuous service for not less than five years and for death or disability. The amount of gratuity to be paid is computed at the rate of 15 days of wages for every completed year of service.

Shareholding of the Key Management Personnel

Except as stated below, none of our Key Management Personnel hold Equity Shares in the Company.

Name of the Key Management Personnel	Number of Equity Shares
Mr G Sridhar	6,640
Mr K Gopi Krishna	3,500

Bonus or Profit Sharing Plan for our Key Management Personnel

The Company has a performanceincentive bonus plan for certain Key Management Personnel, which is common for all employees and does not have a profit sharing plan.

Interests of Key Management Personnel

The KMP of the Company do not have any interest in the Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of their shareholding, if any, in the Company.

None of our KMP have been paid any consideration of any nature from the Company, other than their remuneration.

Changes in Key Management Personnel during the Last Three Years

Name	Date of Appointment	Date of Resignation	Reason
Abdul Rub Mohammed	-	July 16, 2007	Resignation
Tarun Nanda	-	July 18, 2007	Resignation
G. Radha Krishna Babu	-	August 24, 2007	Resignation
K. Gopi Krishna	April 5, 2007	-	Appointment
J.V. Jaganmohan Rao	October 6, 2007	-	Appointment
Ch. Srinivas	July 14, 2008	-	Appointment
C.S. Balachandra Sunku	March 17, 2008	-	Appointment
M.B.S.R. Sarma	-	October 30, 2008	Resignation
Sidharth kapur	-	April 6, 2009	Resignation
Durga Srinivas Kullakuri	-	April 30, 2009	Resignation
Chandrashekar B	-	July 9, 2009	Resignation
Sitarama Swamy Choudary Tukkala	-	October 3, 2009	Resignation
Harisha V. Prabhu	October 23, 2009	-	Appointment
V. Harish	December 28, 2009	-	Appointment
S. Hemalata	January 20, 2010	-	Appointment

Details of Other Agreements

Other than as stated above, none of our Directors or Key Management Personnel have been selected pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Payment or Benefit to officers of the Company

Except as stated otherwise in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of the officers except the normal remuneration for services rendered as Directors, officers or employees, since the incorporation of the Company.

Employees Share Purchase and Stock Option Scheme

The Company currently does not have any employee share purchace scheme or an employee stock option scheme.

OUR PROMOTER AND GROUP COMPANIES

Our Promoter

1. Sumanth Paturu

Sumanth Paturu, 34, is the Promoter of the Company and is the Managing Director of our Company. For further details, see "Our Management" on page 123 of this Draft Red Herring Prospectus.

PAN: AHHPP4992N
Driving license number: DLFAP011322782002
Sumanth Paturu does not have a voter identity card.

We confirm that the permanent account number, bank account number and passport number of our Promoter, as available, will be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

Companies forming part of our Group Companies

Unless otherwise stated none of the companies forming part of Group Companies is a sick company under the meaning of SICA and none of them are under winding up. No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years. Further no application has been made, in respect of any of our Group Companies to the RoC for striking off their names. None of the Group Companies are defunct companies.

1. ICOM Limited

Corporate Information

ICOM Limited was incorporated on March 31, 2000 in India. It is in the business of manufacturing, installing, maintaining , buying, selling and dealing with electrical and electronic devices, components and asseccories including communication antenna, wireless sets, radios amplifiers, voltage regulators and material of similar description whereby sound, vision and any other type of signal is recorded, amplified, transmitted and other ancillary equipment thereof. The company has not started its commercial operations.

Our Promoter is a director on the board of this company and holds 7,800 equity shares of ICOM Limited which is 15.60% of the total paid up capital of ICOM Limited.

Financial Information

(In Rs. million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves) and surplus	-	-	-
Income (including other income)	-	-	-
Profit After Tax	-	-	-
Earning Per equity share (face value Rs. 10 each)	-	-	-
Net asset value per equity share	(9.63)	(9.47)	(9.28)

2. Isitva Ventures Private Limited

Isitva Ventures Private Limited was incorporated as PSR Builders and Developers Private Limited on June 17, 1997 in India. Subsequently, the name of the company has been changed to Isitva Ventures Private Limited on July 26, 2008. The company is engaged in the business of purchase, lease, exchange of land and buildings and construction, reconstruction, altering houses, factories, warehouses, shops and other building works. It also carries on the business of logistics, supply services, express cargo and other connected services.

Our Promoter holds 800 equity shares of this company, which is 8% of the total paid up capital of IVPL.

Financial Information

(In Rs. million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	0.10	0.10	0.10
Share Application Money	0.06	0.06	0.06
Reserves (excluding revaluation reserves) and surplus	-	0.11	-
Income (including other income)	28.69	35.61	-
Profit After Tax	(71.53)	0.71	(0.10)
Earning Per equity share (face value Rs. 10 each)	(7153.06)	70.71	(10.69)
Net asset value per equity share	(7126.24)	26.83	(43.49)

3. Isitva Fasteners Private Limited

Isitva Fasteners Private Limited ("**IFPL**") was incorporated as Srinivasa Lead and Allied Private Limited on August 7, 1997 in India. Subsequently the name of company was changed to ICOMM Fastners Private Limited on Janurary 10, 2005 and to ICOMM Fasteners Limited on February 25, 2005 and further to Isitva Fasteners Private Limited on March 30, 2009. The company is engaged in the business of manufacturing, importing, exporting, buying, selling, distributing and dealing with batteries used in the appliances, automobile, heavy vehicles and industries and also carries on the business of manufacturing and dealing with steel fasteners, nuts and bolts and certain other type hardwire items.

Our Promoter holds 98,870 equity shares of this company, which is 20% of the total paid up capital of IFPL.

Financial Information

(In Rs. million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital (including share application money)	2.94*	2.94	0.44
Reserves (excluding revaluation reserves) and surplus	1.74	0.24	-
Income (including other income)	124.13	63.86	64.15
Profit After Tax	1.49	4.99	(5.28)
Earning Per equity share (face value Rs. 10 each)	5.07	16.95	(527.92)
Net asset value per equity share	15.90	10.82	(430.28)**

* *200,000 equity shares of this company were allotted on August 17, 2009 by which the equity capital of this company increased from 2.94 million to 4.94 million.*

** *Excluding share application money.*

4. ARM Telecom Services Limited

ARM Telecom Services Limited ("**ATSL**") was incorporated as private limited company on May 20, 1994 and was converted into a public limited company on November 3, 1994. The company is engaged in the business of manufacturing, importing, exporting, buying, selling, distributing, erecting and commission telephones, teleprinters, telex machines, computer peripheral and communication equipments.

Our Promoter holds 8,900 equity shares of this company, which is 17.80% of the total paid up capital of ATSL.

Financial Information

(In Rs. million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves) and surplus	-	-	-
Income (including other income)	-	-	-
Profit After Tax	-	-	-
Earning Per equity share (face value Rs. 10 each)	-	-	-
Net asset value per equity share	(228.31)	(228.15)	(228.02)

5. Isitva Steel Private Limited

Isitva Steel Private Limited ("**ISPL**") was incorporated as ARM Steel Limited on November 9, 1994 in India. Subsequently, the name of this company was changed to ICOMM Steel Limited on May 5, 2005 and to Isitva Steel Limited on February 5, 2009. The company was convered to a private limited company on December 15, 2009. This company is in the business of manufacturing, prospecting, raising, operating and dealing with iron and steel, ferro – silicon, ferro – chrome and other products made of iron and steel and allied products.

Our Promoter holds 15,010 equity shares of ISPL which is 0.60% of the total paid up capital of ISPL.

Financial Information

(In Rs. million, except share data)

Particulars	18 months ended September 30, 2009*	Fiscal 2008	Fiscal 2007
Equity Capital	25.00	25.00	25.00
Reserves (excluding revaluation reserves) and surplus	-	-	-
Income (including other income)	1,560	395.56	238.45
Profit After Tax	(13.52)	1.56	(5.26)
Earning Per equity share (face value Rs. 10 each)	(5.41)	0.63	(105.26)
Net asset value per equity share	3.26	8.09	(136.12)

* *The financial year ended March 31, 2009 has been extended by 6 months pursuant to an approval from the RoC and hence the figure pertains to the fiscal year ended September 30, 2009.*

7. ARM Celcom Limited

ARM Celcom Limited ("**ACL**") was incorporated on March 21, 1995 in India. This company is engaged in the business of installing, operating, managing and maintaining and marketing celluar telephone sevices and other ancillary services thereto and to carry on the business of manufacturing, exporting, buying, selling, distributing, erecting, commissioning telephones, teleprinters, telex machines and other communication equipments. This company has not started its commercial operation.

Our Promoter holds 7,700 equity shares of this company, which is 15.40% of the total paid up capital of ACL.

Financial Information

(In Rs. million, except share data)

Particulars	Fiscal 2009*	Fiscal 2008	Fiscal 2007
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves) and surplus	-	-	-
Income (including other income)	-	-	-
Profit After Tax	-	-	-
Earning Per equity share (face value Rs. 10 each)	-	-	-
Net asset value per equity share	(43.24)	(43.06)	(42.86)

Common Pursuits and Interests of Promoter

The Promoter of our Company is interested to the extent of his shareholding in us and the dividend he is entitled to receive, if declared, by our Company. Further, our Promoter who is also the Managing Director of our Company may be deemed to be interested to the extent of remuneration payable to him in his capacity as our Managing Director and to the extent of other remuneration, reimbursement of expenses payable to them. Our Promoter may also be deemed to be interested to the extent of equity shares, if any, already held by his relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Draft Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said equity shares.

Further, our individual Promoter is also a director on the boards of directors or a shareholder of some of our Group Companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Group Companies.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoter are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. Further, except as disclosed above, our Promoter do not have any interest in any venture that is involved in any activities similar to those conducted by us which could result in any conflict of interest. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, if and when they may arise.

For, further details on the related party transactions, to the extent of which our Company is involved, see “Related Party Transactions” on page 140 of the Draft Red Herring Prospectus.

Confirmations

None of our Promoter, Group Companies or directors of Group Companies have been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, none of the Promoter, Group Companies or directors of Group Companies or any companies in which the Promoter is or was associated as promoter, director or person in control have been debarred or prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

Further none of our Promoter or Group Companies have become sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and none of them is under the process of winding up. None of the Group Companies have business interests in the Company.

Payment of benefits to our Promoter

Except as stated in the section “Financial Statements - Related Party Transactions” on page F-26 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoter during the two years prior to the filing of this Draft Red Herring Prospectus.

Litigation

For details relating to the legal proceeding involving the Promoter, see “Outstanding Litigation and Defaults” on page 181 of this Draft Red Herring Prospectus.

Disassociation by our Promoter in the last three years

There has been no disassociation by our Promoter in the last three years.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see "Financial Statements – Related Party Transactions" on page F-26 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the annual general meeting, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous Fiscal years or out of both. The Articles of Association of our Company also gives the discretion to the Board of Directors to declare and pay interim dividends without shareholder's approval at an annual general meeting. All dividend payments are made in cash to the shareholders of our Company. We have only paid dividend in the fiscal year ended June 30, 2008 in the last five years. The amounts paid as dividends in the past are not in any manner indicative of our dividend policy or dividends, if any, that may be declared or paid in the future.

We have paid out the following dividends since Fiscal 2005:

	Fiscal				
	2009	**2008**	**2007**	**2006**	**2005**
Interim Dividend on:					
- Preference Shares	-	1.17	-	-	-
- Equity Shares	-	141.38	-	-	-
Total	-	**142.55**	-	-	-
Final Dividend on:					
- Preference Shares	-	1.17	-	-	-
- Equity Shares	-	141.38	-	-	-
Total	-	**142.55**	-	-	-
Corporate Dividend Tax on:					
- Preference Shares	-	0.20	-	-	-
- Equity Shares	-	24.03	-	-	-
Total	-	**24.23**	-	-	-

INDEBTEDNESS

Our aggregate borrowings as of March 15, 2010 are as follows:

(Rs. in million)

S. No.	Nature of Borrowing	Amount
1.	Secured Borrowings	13,703.4
2.	Unsecured Borrowings	350.00

I. Secured Loans

1. *Loan taken by our Company from a consortium of 13 Banks comprising State Bank of Hyderabad, State Bank of India, Bank of Baroda, UCO Bank, IDBI Bank, Dena Bank, Allahabad Bank, Corporation Bank, State Bank of Indore, Axis Bank Limited, Lakshmi Vilas Bank, Bank of Maharashtra and Syndicate Bank lead by Syndicate Bank pursuant to a working capital consortium agreement dated February 11, 2010 following sanction letters dated September 24, 2009 from State Bank of Hyderabad, March 3, 2009 from State Bank of India, October 16, 2009 from Bank of Baroda, August 28, 2009 from UCO Bank, June 29, 2009 from IDBI Bank, June 06, 2007 from Dena Bank, February 06, 2010 from Allahabad Bank, December 23, 2008 from Corporation Bank, July 03, 2009 from State Bank of Indore, September 25, 2009 from Axis Bank Limited, August 21, 2009 from Lakshmi Vilas Bank, June 1, 2009 from Bank of Maharashtra and March 23, 2009 from Syndicate Bank with Syndicate Bank as the Lead Bank. Pursuant to this agreement the Company has also entered into a joint deed of hypothecation and deposit of title deeds both dated February 11, 2010.*

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
Rs. 12,397.4 million	Rs. 11,520.3 million	Interest to be charged based on the individual sanction letters of the consortium banks. Syndicate Bank: PLR at monthly rests (presently at 12%). State Bank of Hyderabad: 1.00% above SBH PLR per annum with monthly rests (presently at 13.25%). State Bank of India SBAR + 2.5% p.a. effective rate: 14.75 % p.a. at monthly rests or interest charged by the Lead Bank, whichever is higher (presently at 14.75). Bank of Baroda: BPLR + 1.5% p.a. at monthly rests (presently at 13.50%). UCO Bank: BPLR per annum-floating with monthly rests (presently at 12.25%). However if the interest/commission charged by any other bank is higher then the same will apply. IDBI Bank: BPLR + 50 bps per annum with monthly rests (presently at 13.50%).	The purpose of the loan is for meeting a part of the Company's working capital requirements. The loan is repayable on demand. I. First charge on pari passu basis on the following securities: Current Assets • By way of hypothecation of the current assets, namely the stock of raw materials, stocks in process, semi-finished and finished goods, stores and spares including stocks lying at depots, in transit, godowns and docks, • Bills receivable, book debts and all other movables pertaining to the Company, both present and future. II. Plant and Machinery Hypothecation of plant and machinery pertaining to: • The Company's Telecom Division, APIIC Industrial Area, Phase-I, Cherlapally, • Tower Division, Unit 2, Keesara Road, Nagaram.

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
		Dena Bank: BPLR (presently at 13.25%). Allahabad Bank: PLR of the bank at monthly rests (presently at 12%). Corporation Bank: COBAR with monthly rests (presently at 13.25%) State Bank of Indore: BPLR – Floating with monthly rests (presently at 12.75%). However if the interest/commission charged by any other bank is higher then the same will apply. Axis Bank Limited: BPLR – 3.25% per annum floating with monthly rests (presently at 11.50%). Lakshmi Vilas Bank: BPLR – 2.50% per annum floating with monthly rests (presently at 12.50%). Bank of Maharashtra: BPLR – floating with monthly rests (presently at 12.50%) or the rate charged by the Lead Bank whichever is higher.	III. Mortgage of immovable property belonging to the Company situated at Ranga Reddy District, Andhra Pradesh. IV. Irrevocable and unconditional guarantees from • Paturu Ramrao • Sumanth Paturu V. Omnibus Counter Guarantees for Letters of Credit and Bank Guarantees.

The following covenants are applicable to the Company in relation to the above loan availed from the consortium. The Company shall during the tenure of the Agreement:

- Provide, if required, irrevocable and unconditional guarantees from any of its Directors for the payment and discharge of the loan to the banks of the amount due under the facilities along with interest and costs, charges and expenses and other moneys due and payable under or in respect of the said facilities;
- Not compound or release any of the book-debts nor do anything whereby the recovery of the same may be impeded, delayed or prevented without the consent in writing of the banks first obtained;
- Maintain such security margin as may be stipulated by the banks. The current assets cover, unless otherwise agreed to or specifically permitted in the sanction letter, shall not be less than 1.33 times at any point of time;
- Bear and pay interest tax as may be payable at the rate as in force from time to time;
- At any time hand over or redeliver or cause to be handed over or redelivered to the banks forthwith on demand all goods, movables, assets and other documents;
- Not deal with the goods, movables and other assets and documents of title except in accordance with the written consent of the banks;
- Submit statements under the quarterly information system in the format prescribed by Syndicate Bank from time to time and shall be liable to pay penal interest in case of non submission of statements;
- Procure additional funds at the appropriate time and on terms applicable to Syndicate Bank to meet any shortfall that may arise in cash accruals or for meeting an overrun if any, in

financing the working capital requirements of the Company. The Company agrees that such funds will not be withdrawn without the prior approval of Syndicate bank during the currency of the said facilities; and

- Keep its assets fully insured against loss or damage.

During the currency of the said facilities, the Company cannot, without the prior permission in writing of the Lead Bank:

- Effect any change in its capital structure;
- Borrow or obtain credit facilities from other than consortium bankers except to the extent permitted by the consortium;
- Permit withdrawal of money brought in by the promoters/directors/friends and relatives;
- Formulate any scheme of amalgamation or reconstruction;
- Implement any scheme of expansion/diversification/modernization other than incurring routine capital expenditure;
- Make any corporate investment or investment by way of share capital or debentures or lend or advance funds to or place deposits with any other concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees, other than those required by law;
- Undertake guarantee obligations on behalf of any third party or any other Company; and
- Declare dividend.

2. *Loan taken by our Company from Infrastructure Development Finance Company Limited (“**IDFC**”) pursuant to a Rupee Loan Agreement dated September 26, 2007 following a sanction letter dated September 24, 2007. Pursuant to this agreement the Company has also entered into a Deed of Hypothecation dated September 26, 2007.*

Sanctioned amount	**Amount outstanding as on March 15, 2010**	**Interest**	**Purpose of Loan/Repayment/Security**
Rs. 500 million	Rs. 400.78 million	3.5% over and above the bench mark rate on the date of each disbursement (presently at 9.25%).	The purpose of the loan is for financing working capital requirement and capital expenditure of the Company. Repayment to be made in eight quarterly installments commencing at the end of 12 months from the date of first disbursement of the loan, i.e., September 27, 2007. The loan is secured by • First pari passu charge of all the company’s movable and immovable properties, both present and future. • Exclusive pledge of shares held by Paturu Ramrao in demat form in the equity share capital of the Company representing 26% of the total paid up equity share capital of the Company. The share to be pledge shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement including shareholders agreement/joint venture agreement/ financing arrangement with regard to pledge/transfer of the shares including transfer upon enforcement of the pledge. • Unconditional and irrevocable guarantee from promoter director Sumanth Paturu and sponsor Ramarao Paturu.

The following covenants are applicable to the Company in relation to the above loan availed from IDFC. The Company shall during the tenure of the Agreement:

- Make out a good and marketable title to its properties to the satisfaction of the lender and comply with all such formalities as may be necessary or required for the said purpose;
- Notify IDFC in writing of all its acquisitions of immovable properties during the currency of the loan and as soon as practicable thereafter to make out marketable title to the aforesaid immovable properties to the satisfaction of the lenders; and
- Maintain comprehensive insurance cover as per best industry practice.

Under this agreement, the Company can not with prior permission of the lender:

- Pass any resolution or take steps for winding up;
- Enter into any transaction of merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation;
- Convey, sell lease or otherwise charge all or any part of the assets except for those which are to be sold during the ordinary course of business;
- Change in the name or change the location of its registered office;
- Sell or dispose of the assets present and future otherwise than in ordinary course of business or create security interest over such assets otherwise than contemplated;
- Make any changes in its Memorandum or Articles of Association;
- Remove any person exercising substantial powers of management of the affairs of the Company;
- Reorganize or register any transfer of shares in the Company's capital made or to be made by the shareholder; and
- Declare or pay dividend to its shareholders during any financial year unless it has paid all the dues of the lender or if certain conditions are met.

3. *Loan taken by our Company from L&T Infrastructure Finance Company Limited pursuant to a facility agreement between L&T Infrastructure Finance Company ("**LIFC**") Limited and the Company dated August 13, 2008 following a sanction letter dated July 21, 2008, as amended by a letter dated July 28, 2008. Pursuant to this agreement, the Company has entered into a Deed of Hypothecation dated August 22, 2008.*

Sanctioned amount	**Amount outstanding as on March 15, 2010**	**Interest**	**Purpose of Loan/Repayment/Security**
Rs. 500 million	Rs. 352.42 million	LIFC PLR – 0.75% monthly (presently at 13.50%)	The loan has been availed for financing the capital expenditure requirements across its various divisions. Repayment to be made in 50 equal monthly installments after the end of moratorium period of 10 months from the date of first disbursement, i.e. September 8, 2008. There would be put and call option for the outstanding facility at the end of 24 months, 36 months and 48 months from the date of first disbursement. The loan is secured by: • A first charge by way of hypothecation and mortgage in favor of the lender on all of the Company's immoveable and moveable assets to be procured out of the facility. • A second pari passu charge on all the moveable

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
			and immoveable assets of the borrower excluding the assets acquired out of the facility and those assets which are exclusively charged to IDFC and State Bank of Travencore. • Exclusive pledge of shares of the borrower held by the promoters, amounting to 26% of the entire shareholding of the Company to be reduced to 10% upon perfection of security. • Exclusive first charge of the lender on the Debt service reserve account or the bank guarantee comprising three months of interest payment and three months of principal repayments.

The following covenants are applicable on the Company in relation to the above loan availed from LIFC. The Company shall during the tenure of the Agreement:

- Not appoint, re-appoint or remove any person having substantial powers of management without the approval of LIFC;
- Promptly notify LIFC in case of (a) any loss or damage which the Company may suffer due to any event, circumstances or acts of God or (b) any legal proceedings started by or against it, (c) any public demands such as income tax, service tax, corporation tax or any other taxes or any other statutory dues payable to any authority; (d) any circumstance or event which would, or is likely to interfere in/prevent/delay the proper implementation of finance of the capex requirement across various divisions, or which may result in substantial overrun in the original estimate of costs, or of the happening of any labour strikes, lockouts, shutdowns fires or other similar happenings likely to have a material adverse effect along with all the details as may be required; and
- Insure and keep all the assets insured against all risks with widest possible cover.

During the subsistence of this agreement and till the facility and all amounts payable are duly paid, the Company can not without the approval of LIFC:

- Undertake any new project or diversification or any substantial expansion, or engage in any new business or activities either alone or with any person;
- Make or permit any material amendments or termination of any material contract documents;
- Enter into any contract or arrangement whereby its business or operations are managed by some other person;
- Contract, incur or agree to any indebtedness of any manner whatsoever or create any security interest in favor of any other person;
- Prepay any such indebtedness without offering to proportionally prepay the facility provided by LIFC;
- Create or permit any encumbrance in any form on any assets;
- Provide any loans/financial assistance, including by way of guarantees, indemnities or other assurances of a similar nature;
- Pay commissions to promoters, directors, mangers for furnishing counter guarantees or indemnities;
- Declare or pay any dividend/make any distribution of profits or otherwise to any person, so long as any default has occurred or is subsisting under the loan agreement or any other transaction documents;
- Buyback, cancel or reduce in any manner its share capital, or issue any further share capital or change its capital structure;
- Permit any disposal/transfer of shares in the borrowers share capital by any person;
- Amend/alter its constitutional documents in any manner that would effect the performance;
- Create subsidiary or a joint venture company or permit any company to become its subsidiary;

- Undertake or permit any merger, de-merger, consolidation, organization, scheme of arrangement etc.;
- Change its financial year end and or accounting method or policies currently being followed by the Company.

4. *Loan taken by our Company from IL&FS Financial Services Limited pursuant to a Term Finance Agreement between IL&FS Financial Services Limited ("**IFIN**") and the Company dated June 25, 2008 following a sanction letter dated July 10, 2008. Pursuant to this agreement, the Company has also entered into a Deed of Hypothecation dated July 9, 2008.*

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
Rs. 220 million	Rs. 220 million	16.25% per annum (exclusive of interest tax) payable monthly in arrears. Additional Interest: The Company shall pay IFIN additional interest which shall be linked to the base and market price of shares of the company as described below: Underlying shares: The underlying shares of the Company will be calculated as below: Base Price: Share price at which Kotak/Tano invested in the Company Loan amount: Rs. 220 million Underlying amount: The Loan amount of Rs. 220 million divided by the Base Price at which Kotak/Tano invested in the Company Market Price: Market price shall be defined as higher of the following: • In the event of a private equity infusion into the Company /private placement of promoter's shares in the Company before any of the repayment dates, then market price shall be post money equity value of	The loan has been availed for general corporate purposes. Repayment is to be made in three equal installments at the end of 24th month, 30th month and 36th months from the first date of disbursement, i.e., June 30, 2008 The loan shall be secured by: • Pledge/cross pledge of 35% state in the company. This security rank pari-passu with the loan of Rs. 580 million lent and advanced to IVPL. • Irrevocable and unconditional personal guarantee of Sumanth Paturu. • Demand promissory note by the Company. • Post dated cheques issued by the company for principal and interest. • Based on last round of private equity investment in the Company, the company has been valued at Rs.9500 million and hence 35% of equity yields a security cover of 4.15x for overall exposure of Rs. 800 million. Promoters and the Company shall maintain an overall minimum security cover of 4.00x throughout the currency of the loans, subject to minimum pledge of 26% stake of the Company. For this purpose the Company shall be valued on the same basis as that of Kotak's investment into the Company.

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
		such PE investment dividend by total number of equity shares of the Company or the price of such private placement of promoter shareholding. • In the event of the Company going for IPO and getting listed, before any of such repayment dates, 30 days average share price (NSE/BSE) on the repayment date shall be considered as market price. • In the event neither PE nor IPO happens, market price shall be derived by valuing the Company on the basis of P/E multiple at which Kotak Invested into the Company. For this purpose annualized PAT of the company for the year ending June 30, 2009 based on the latest available results for the year will be considered. The above additional interest shall be payable on repayment date Additional interest = {(market price-base price)* underlying shares* amount repaid/total loan amount}* 20%. If market price is less than base price, then the formula would be considered as 0. The share price shall be adjusted accordingly for any stock split or bonus. The overall yield including	

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
		additional interest shall be capped at 16.75% p.a	

The following covenants are applicable in relation to the above loan availed by the Company from IFIN. The Company shall during the tenure of the Agreement:

- Not prepay the outstanding balance before the due date except after prior approval of IFIN;
- In respect of cost/expenses for which the Term Finance is being availed of and financed by IFIN, not avail parallel or double finance or alternate additional finance from any other lender or banks.

5. *Facilities obtained by our Company from Indian Overseas Bank pursuant to a Loan Agreement dated September 16, 2006 entered into by the Company with Indian Overseas Bank following a sanction letter dated August 25, 2006.*

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
Rs. 86 million	Rs. 28.99 million	Not Applicable	The letter of guarantee has been issued by Indian Overseas Bank pursuant to the Company obtaining a contract from Power Grid Corporation of India Limited for laying the Gwalior-Agra transmission line. Repayment is to be made on demand. The facility is secured by stocks of materials, work in progress, finished goods at factory site/ project site relating to the supply contract for the package A for 765 kV Gwalior-Agra transmission line (2nd circuit) associated with the MMT transmission corridor strengthening scheme.

The following covenants are applicable in relation to the above facility availed by the Company from IOB. The Company shall during the tenure of the Agreement:

- Not pledge or otherwise charge or encumber any of the goods intended to be the subject of the Agreement;
- Not remove the charged goods from the premises or place of storage during the currency of the Agreement;
- Keep the goods insured during the currency of the Agreement.

II. Unsecured Loans

1. *Factoring facilities obtained from Canbank Factors Limited ("**Canbank**") pursuant to a Factoring Agreement dated November 24, 2007, which has been further extended till April 19, 2010 by a new sanction letter dated April 30, 2009.*

Invoice discounting Limit	Prepayment Limit (Sale Bill Factoring Limits)	Amount due as on March 15, 2010	Rate of Discount	Maturity Date	Factoring facilities/ Guarantee
Rs. 100 million	Rs. 50 million	49.91	13% p.a.	April 19, 2010	The factoring facilities referred to are: • Purchase of debts with recourse; • Sales ledger administration; • Debts collection; and • Prepayment facility against the purchase of debts. The Company undertakes to pay on demand the amount of a debt if the customers of the Company fail to make the payment to Canbank within the maturity date. Guarantees provided by Sumanth Paturu and Paturu Ramrao.

The following covenants are applicable in relation to the above facility availed by the Company from Canbank. The Company shall during the tenure of the Agreement:

- Make all relevant tax payments and returns in relation to goods and services, being the subject of purchased debts;
- Indemnify and keep indemnified Canbank against any and all claims or counter claims of whatsoever nature by Canbank in respect of a purchased debt;
- Whenever required to do so by Canbank duly execute and deliver an instrument of assignment of the debts purchased or agreed to be purchased any of them, within such time and in form and subject to such conditions as may be stipulated by Canbank;
- Not obtain any credit facilities from any other person, including a bank, on the strength of the security of the debts agreed to be purchased by Canbank;
- Not transfer, assign or deal in any manner with the debts subject matter of the agreement without obtaining the written consent of Canbank, Whenever so required by Canbank, the Company shall execute and deliver a deed of hypothecation or charge of debts agreed to be purchased by Canbank.

Further, the following covenants are applicable to the above facility.

- The Agreement shall be terminated at any time by either party by giving the other party three months notice in writing. Further, Canbank may terminate the agreement upon the occurrence of certain events, including amongst others, breach of the agreement by the Company, if any of the Company's obligations to third parties for the repayment of borrowed money shall be declared due prior to their stated maturity dates by reason of default or non payment and on the occurrence of any other event which may prejudice, imperil, delay or preclude the fulfillment of any of the obligations assumed by the Company.

- Upon termination Canbank may require the Company to repurchase immediately at face value so much of any debt purchased by Canbank and then remaining outstanding.

2. *Global Accounts Receivable Management Agreement dated July 27, 2006, Sanction Letters dated July 27, 2006 and July 15, 2009 between the Company and Global Trade Finance Limited ("**GTFL**")*

Maximum Funds in use limit	Prepayment Limit (Sale Bill Factoring Limts)	Amount Outstanding as on March 15, 2010	Rate of Discount	Maturity Date	Factoring facilities/ Guarantee
Rs. 250 million	Rs. 100 million	108.09	13.50% p.a.	December 10, 2009	The factoring facilities are applicable to the purchase of the Company's receivables. Guarantees provided by Sumanth Paturu and Ramrao Pauturu.

The following covenants are applicable in relation to the above facility availed by the Company from GTFL. The Company shall during the tenure of the Agreement:

- Enter into supply contracts relating to a notified receivable in the ordinary course of its business, Except as otherwise approved by GTFL in writing;
- Not rescind, terminate, vary or grant or agree to grant any change or other encumbrance over existing or future contracts relating to receivables of the client;
- Ensure that all invoices issued shall be expressed in the same currency;
- Give instructions, in a form prescribed to any bank with which it maintains an account to remit to GTFL any remittance received in such account from any debtor and to notify GTFL promptly of any change in its banking arrangements.

The Company is liable to pay to GTFL on demand any amounts that are not realized by its clients due to legal constraints, disputed liability, and all receivables under which the Company is unable to perfect title, all of which shall become due by the Company on demand.

III. Loans by Subsidiaries:

1. *Facilities obtained from Sampath Bank Limited pursuant to a loan agreement dated March 18, 2008 between IILPL and Sampath Bank Limited, Sri Lanka.*

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
LKR 55 million	LKR 5.59 million	Interest shall be charged at the rate of AWPLR + 2.5% with a floor of 19.0% per annum or at such other higher rate or rates	The loan has been taken for the purposes of working capital. Repayment to be made by on demand. The loan shall be secured by

Sanctioned amount	Amount outstanding as on March 15, 2010	Interest	Purpose of Loan/Repayment/Security
		as may from time to time be fixed or charged by the Bank.	▪ First and Primary mortgage free from seizure, charge, lien or any other encumbrance whatsoever all and singular the property the movable equipment as per the agreement ▪ Assignment unto the bank by way of primary mortgage free from seizure, charge, lien or any other encumbrance whatsoever all sums of money which may be recoverable or receivable under all and every contract and contract of insurance already effected or which may from time to time be effected in respect of the mortgaged movables and all the estate right title interest property, claim and demand whatsoever of IILPL. ▪ Assignment unto the bank the beneficial interest and goodwill of the business. ▪ Assignment unto the Bank by way of primary mortgage all the book debts which area or may become due owing and payable. ▪ Corporate Guarantee issued by ICOMM Tele Limited

The following covenants are applicable in relation to the above facility availed by the IILPL from Sampath Bank. IILPL shall during the tenure of the Agreement:

- Keep the hypothecated goods in merchantable quality;
- Keep the hypothecated goods insured;
- Not transfer the mortgaged movables during the term of the Agreement.

In addition, prior consent of the bank will be required for:

- Any change in the Memorandum or Articles of Association;
- Declaration of dividend;
- Carrying on any general activity other than that of the business of IILPL;
- Making any donation or contribution to any charitable funds not directly relating to the business of IILPL;
- Entering into any partnership, prior sharing or royalty agreement or other similar arrangements whereby its income or profits are or might be shared with any other person, firm or company or enter into any management contract or similar arrangement whereby the business and operations are managed by any person, firm or company;
- Entering into any agreement for the appointment of sole selling or purchasing or servicing agent;
- Taking any action for the disestablishment or suspension of any of its commercial or business operations;
- Increasing the remuneration of its director;
- Undertaking or permitting any merger, consolidation, reorganization or scheme of arrangement.

SECTION V: FINANCIAL INFORMATION

For our Standalone and Consolidated Financial Statements, see F-1 to F-99.

AUDITORS' REPORT
(as required by Part II of Schedule II of the Companies Act, 1956)

The Board of Directors
ICOMM Tele Limited
Trendset Towers
Road No.2, Banjara Hills
Hyderabad – 500 034

Dear Sirs,

1. We have examined the financial information of ICOMM Tele Limited ("the Company") and its wholly owned subsidiaries (collectively referred as "the Group") annexed to this report and initialled by us for identification. The said financial information has been prepared by the Company in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the ICDR Regulations") and in terms of our arrangement agreed with you in accordance with our arrangement letter dated 30 March, 2010 in connection with its Proposed Initial Public Offer ("the IPO") of Equity Shares. The financial information has been prepared by the Company and approved by the Board of Directors.

2. **Restated Financial Information as per Audited Financial Statements**

   We have examined the attached "Standalone Restated Summary Statement of Assets and Liabilities" of the Company as of 30 September 2009, 30 June 2008, 2007, 2006 and 2005 (Annexure 1) and the attached "Standalone Restated Summary Statement of Profit and Loss" (Annexure 2) for fifteen months period ended 30 September 2009 and for each of the years ended 30 June 2008, 2007, 2006 and 2005 together referred to as "Restated Summary Statements". These Restated Summary Statements have been extracted from the financial statements of the Company as of and for the period/years ended 30 September 2009, 30 June 2008, 2007, 2006 and 2005 and have been approved/adopted by the Board of Directors/Members for those respective period/years. Audit for the period ended 30 September 2009, and years ended 30 June 2008, 2007, 2006 and 2005 was conducted by us.

   We have examined the attached "Consolidated Restated Summary Statement of Assets and Liabilities" of the Group as of 30 September 2009 and 30 June 2008 (Annexure 16) and the attached "Consolidated Restated Summary Statement of Profit and Loss" (Annexure 17) for the period ended 30 September 2009 and year ended 30 June 2008, together referred to as "Restated Summary Statements". These Restated Summary Statements have been extracted from the financial statements of the Group as of and for the period/year ended 30 September 2009 and 30 June 2008 and have been approved/adopted by the Board of Directors/Members for those respective period/year. Audit for the period ended 30 September 2009, and twelve months year ended 30 June 2008, was conducted by us.

   We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs.16.10 Mn as of 30 September 2009 and Rs.2.67 Mn as of 30 June 2008, total revenue of Rs.25.67 Mn for the period ended 30 September 2009 and Rs.16.53 Mn for the year ended 30 June 2008 and cash flows amounting to Rs.11.97 Mn (outflow) for the period ended 30 September 2009 and Rs.12.02 Mn for the year ended 30 June 2008 as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.

   Based on our examination of these summary statements, we state that:

   i. The "Restated Summary Statements" have to be read in conjunction with the notes given in Annexure 4 to this report.

ii. The “Restated Summary Statements” of the Company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as of 30 September 2009, as stated in the Notes forming part of the restated Summary Statements vide Annexure 4 to this report.

iii. The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate in the period/year to which they relate as described in Annexure 4 (B) (1).

iv. There are no extraordinary items that need to be disclosed separately in the Restated Summary Statements

v. The qualifications in the standalone and consolidated auditors’ report have been adjusted for the purpose of restated standalone and consolidated accounts.

vi. There are no qualifications in the auditors’ report that require adjustments to the Restated Summary Statements.

3. **Other Financial Information**

We have examined the following standalone information (restated) relating to the Company in respect of the period ended 30 September 2009, years ended 30 June 2008, 2007, 2006, and 2005 and Consolidated information (restated) relating to the Company in respect of the period ended 30 September 2009 and year ended 30 June 2008 proposed to be included in the offer document, as approved by the Board of Directors and annexed to this report:

i. Cash Flows Statement as restated for the period/years ended 30 September 2009, 30 June 2008, 2007, 2006 and 2005 (Annexure 3)

ii. Details of Other Income as restated for the period/years ended 30 September 2009, 30 June 2008, 2007, 2006 and 2005 (Annexure 5)

iii. Details of Investments as restated as of 30 September 2009, 30 June 2008, 2007, 2006, and 2005 (Annexure 6)

iv. Details of Sundry Debtors, Loans and Advances as restated as of 30 September 2009, 30 June 2008, 2007, 2006, and 2005 (Annexure 7)

v. Details of Secured Loans as restated as of 30 September 2009, 30 June 2008, 2007, 2006, and 2005 (Annexure 8)

vi. Details of Un-Secured Loans as restated as of 30 September 2009, 30 June 2008, 2007, 2006, and 2005 (Annexure 9)

vii. Details of Share Capital as restated as of 30 September 2009, 30 June 2008, 2007, 2006, and 2005 (Annexure 10)

viii. Details of Reserves and Surplus as restated as of 30 September 2009, 30 June 2008, 2007, 2006, and 2005 (Annexure 11)

ix. Summary of Accounting Ratios as restated for the period/years ended as of 30 September 2009, 30 June 2008, 2007, 2006 and 2005 (Annexure 12)

x. Capitalisation Statement of the Company as of 30 September 2009 (Annexure 13)

xi. Statement of Tax shelters (Annexure 14)

xii. Details of Dividends (Annexure 15)

xiii. Summary Statement of Consolidated Assets and Liabilities as restated as of 30 September 2009 and 30 June 2008 (Annexure – 16 and 16 a to 16 f)

xiv. Summary Statement of Consolidated Profit and Loss and Other Income as restated for the period/year ended 30 September 2009 and 30 June 2009 (Annexure – 17 and 17 a)

xv. Summary Statement of Consolidated Cash Flows as restated for the period/year ended 30 September 2009 and 30 June 2008 (Annexure 18)

xvi. Summary of Significant Accounting Policies and Notes on Financial statements (Annexure – 19).

xvii. Summary of Consolidated Accounting Ratios for the period/year ended as of 30 September 2009 and 30 June 2008 (Annexure 20).

xviii. Details of Consolidated Dividends (Annexure 21)

The Consolidated Summary Statements as referred in Serial Nos. xiii to xviii above have been extracted from the Consolidated Financial Statements of the Company as of and for the period/year ended 30 September 2009 and 30 June 2008.

4. In our opinion, the "Financial Information as per Audited Financial Statements" and "Other Financial Information" mentioned above for the period/years ended 30 September 2009, 30 June 2008, 2007, 2006 and 2005 have been prepared in accordance with Part IIB of Schedule II of the Companies Act, 1956 and the ICDR Regulations, 2009.

5. This report should not be construed as a new opinion on any of the financial statements referred to herein.

6. We did not perform audit tests for the purpose of expressing an opinion on individual balance account or summaries of selected transactions and accordingly, we express no such opinion thereon.

7. We have no responsibility to update our report for events and circumstances occurring after the date of report.

8. This report is intended solely for your information and for inclusion in offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Nataraja Iyer & Co
Chartered Accountants
Registration No – 002431S

E. S. Ranganath
Partner
Membership No. 13924

For Deloitte Haskins & Sells
Chartered Accountants
Registration No – 008072S

Ganesh Balakrishnan
Partner
Membership No. 201193

Place: Hyderabad,
Date: 30 March 2010

Annexure - 1: Standalone Restated Summary of Assets and Liabilities

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
A. Fixed Assets					
Gross Block	1,573.37	1,272.16	1,050.00	1,443.30	1,299.60
Less: Accumulated Depreciation/Amortisation	495.15	393.00	337.38	709.38	641.39
Net Block	1,078.22	879.16	712.62	733.92	658.21
Less: Revaluation Reserve	84.28	84.28	84.28	84.28	84.28
Net Block After Adjustment of Revaluation Reserve	993.94	794.88	628.34	649.64	573.93
Capital Work-in-Progress	22.93	74.85	60.46	91.68	32.61
Total	**1,016.87**	**869.73**	**688.80**	**741.32**	**606.54**
B. Investments	**12.53**	**10.03**	**-**	**-**	**-**
C. Deferred Tax Asset (Net)	**99.70**	**83.80**	**100.96**	**80.68**	**73.49**
D. Current Assets, Loans and Advances					
Inventories	1,041.63	691.09	734.22	787.55	205.52
Sundry Debtors	6,321.78	6,177.36	3,374.10	2,023.59	1,366.99
Cash and Bank balances	651.00	377.35	260.62	169.56	124.33
Other Current Assets	431.54	142.07	56.91	575.95	434.28
Loans and Advances	2,852.99	2,041.77	627.44	341.93	222.60
Total	**11,298.94**	**9,429.64**	**5,053.29**	**3,898.58**	**2,353.72**
E. Total Assets (A + B + C + D)	**12,428.04**	**10,393.20**	**5,843.05**	**4,720.58**	**3,033.75**
F. Liabilities and Provisions					
Secured Loans	2,802.56	1,701.82	1,043.15	662.12	328.20
Unsecured Loans	1,548.71	478.91	331.79	381.35	484.53
Total	**4,351.27**	**2,180.73**	**1,374.94**	**1,043.47**	**812.73**
G. Current Liabilities and Provisions					
Current Liabilities	4,682.72	5,034.50	3,185.24	2,787.12	1,550.64
Provisions	630.25	672.96	202.63	94.29	38.47
Total	**5,312.97**	**5,707.46**	**3,387.87**	**2,881.41**	**1,589.11**
H. Total Liabilities and Provisions (F + G)	**9,664.24**	**7,888.19**	**4,762.81**	**3,924.88**	**2,401.84**
I. Net Worth (E - H)	**2,763.80**	**2,505.01**	**1,080.24**	**795.70**	**631.91**

Annexure - 1: Standalone Restated Summary of Assets and Liabilities (continued)

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
Represented by					
Shareholders' Fund					
Equity Share Capital	357.50	357.50	217.50	217.50	217.50
Convertible Cumulative Participatory Preference Shares	70.00	70.00	-	-	-
Reserves and Surplus	2,420.65	2,161.98	947.34	663.70	501.38
Less: Revaluation Reserve	84.28	84.28	84.28	84.28	84.28
Reserves and Surplus (net of Revaluation Reserve)	**2,336.37**	**2,077.70**	**863.06**	**579.42**	**417.10**
Less: Miscellaneous expenditure not written off	0.07	0.19	0.32	1.22	2.69
Net Worth	**2,763.80**	**2,505.01**	**1,080.24**	**795.70**	**631.91**

Annexure -2: Standalone Restated Summary of Profit and Loss

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
INCOME					
Sales					
Sale of Manufactured Goods	3,148.53	6,103.85	5,436.28	3,092.01	2,977.00
Trade Sales	146.42	55.17	-	-	-
Contract and Service Income	5,720.17	4,480.54	2,085.02	517.60	147.17
Total Sales	**9,015.12**	**10,639.56**	**7,521.30**	**3,609.61**	**3,124.17**
Other Income	92.16	52.50	81.99	58.39	129.33
Total Income	**9,107.28**	**10,692.06**	**7,603.29**	**3,668.00**	**3,253.50**
Expenditure					
(Increase)/Decrease in Finished Goods and Work in Process	(327.05)	147.05	55.64	(281.04)	45.29
Raw Material Consumed	5,815.48	7,158.61	5,481.97	2,802.78	2,309.72
Manufacturing and Other expenses	1,865.57	1,446.57	1,099.50	652.09	437.13
Payments and Benefits to Employees	400.09	216.41	148.19	109.02	79.56
Total Expenditure	**7,754.09**	**8,968.64**	**6,785.30**	**3,282.85**	**2,871.70**
Profit Before Interest, Depreciation and Tax	**1,353.19**	**1,723.42**	**817.99**	**385.15**	**381.80**
Interest and Finance Cost	862.59	406.92	268.84	137.09	81.84
Profit Before Depreciation and Tax	**490.60**	**1,316.50**	**549.15**	**248.06**	**299.96**
Depreciation/ Amortisation	108.34	55.46	54.97	70.32	86.08
Profit Before Tax and restatement	**382.26**	**1,261.04**	**494.18**	**177.74**	**213.88**
Adjustments on account of restatement (Refer Annexure 4 (B) (1))					
Depreciation	(0.21)	(0.17)	(0.17)	(0.17)	(0.17)
Others	(2.96)	(11.83)	(71.71)	11.30	1.88
Profit before Tax, Exceptional Items and after Restatement	**379.09**	**1,249.04**	**422.30**	**188.87**	**215.59**
Exceptional items	-	-	14.48	32.91	41.85
Profit before Tax, and after Exceptional Items and Restatement	**379.09**	**1,249.04**	**436.78**	**221.78**	**257.44**

Annexure -2: Standalone Restated Summary of Profit and Loss (continued)

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
Tax expense	**112.26**	**490.19**	**176.39**	**69.09**	**43.23**
Effect on Tax due to Restatement (Refer Annexure 4 (B) (1))	(1.08)	(4.08)	(24.44)	3.75	0.58
Restatements relating to Tax expense	7.82	6.71	(0.73)	(13.80)	-
Tax expense Restated	**119.00**	**492.82**	**151.22**	**59.04**	**43.81**
Profit After Tax , Exceptional Items and Restatement	**260.09**	**756.22**	**285.56**	**162.74**	**213.63**
Balance brought forward from Previous Year as restated	**855.21**	**565.77**	**280.21**	**117.47**	**(96.16)**
Profits available for appropriation	**1,115.30**	**1,321.99**	**565.77**	**280.21**	**117.47**
Appropriations					
Towards Dividend	0.88	142.55	-	-	-
Towards Tax on Dividend	0.15	24.23	-	-	-
Transferred to General Reserve	-	300.00	-	-	-
Total Appropriations	**1.03**	**466.78**	**-**	**-**	**-**
Balance carried to Balance Sheet	**1,114.27**	**855.21**	**565.77**	**280.21**	**117.47**

Annexure – 3: Standalone Cash Flow Statement as restated

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
A. Cash flow from Operating Activities :					
Net Profit Before Tax and Exceptional items as Restated	379.09	1,249.04	422.30	188.87	215.59
Adjustments for :					
Non Cash and Non Operating items	1,021.33	501.24	468.63	244.83	177.66
Operating Cash flow before Working Capital changes	**1,400.42**	**1,750.28**	**890.93**	**433.70**	**393.25**
Adjustments for:					
Trade and Other Receivables	(1,222.80)	(4,308.79)	(1,155.59)	(935.67)	(715.00)
Inventories	(350.54)	43.13	53.33	(582.03)	92.08
Trade Payables and Other Liabilities	(433.48)	1,809.56	(52.94)	1,206.15	(119.18)
Cash (used in) / generated from Operations	**(606.40)**	**(705.82)**	**(264.27)**	**122.15**	**(348.85)**
Direct Taxes Paid	(155.04)	(44.45)	(98.87)	(25.09)	(19.99)
Exceptional items	**-**	**-**	**14.48**	**32.91**	**41.85**
Net Cash (used in) / from Operating activities	**(761.44)**	**(750.27)**	**(348.66)**	**129.97**	**(326.99)**
B. Cash flow from Investing Activities :					
Purchase of Fixed Assets	(256.05)	(237.10)	(193.08)	(231.24)	(114.79)
Sale of Fixed Assets	0.22	1.73	327.00	25.14	48.36
Inter corporate deposits realised	-	-	-	-	195.03
Sale of Investments	-	-	-	-	0.25
Interest earned on Inter Corporate Deposits	-	-	-	-	15.28
Investment in Subsidiary Company	(42.95)	(10.03)	-	-	-
Net Cash (used in) / from Investing activities	**(298.78)**	**(245.40)**	**133.92**	**(206.10)**	**144.13**

Annexure – 3: Standalone Cash Flow Statement as restated (continued)

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
C. Cash flow from Financing Activities :					
Interest and Financing charges paid	(827.24)	(406.92)	(268.84)	(137.09)	(81.85)
Interest received on deposits with banks and other deposits	25.91	20.46	27.49	4.62	9.14
Proceeds from Issue of Share Capital	-	210.00	-	-	-
Securities premium received	-	625.62	-	-	-
Dividend paid	-	(142.55)	-	-	-
Loans from bank (Net)	1,951.75	104.71	383.86	334.22	119.46
Other Loans taken / (repaid)	184.78	699.93	166.12	(80.09)	160.02
Hire Purchase Loan taken / (repaid)	(1.33)	1.15	(2.83)	(0.30)	6.26
Net Cash from Financing activities	**1,333.87**	**1,112.40**	**305.80**	**121.36**	**213.03**
Net Increase in Cash and Cash equivalents (A+B+C)	273.65	116.73	91.06	45.23	30.17
Cash and Cash equivalents at the beginning of the period / year	377.35	260.62	169.56	124.33	94.16
Cash and Cash equivalents as at end of the period / year	**651.00**	**377.35**	**260.62**	**169.56**	**124.33**

Annexure – 4

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, Accounting Standards issued by Companies (Accounting Standards) Rules, 2006, and provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

2. Use of Accounting Estimates

The preparation of Financial Statements in conformity with Accounting Standards requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of Financial Statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known and materialized.

3. Revenue Recognition (AS-9)

Sales comprise of sale of products and services. The sale value is inclusive of excise duty less discounts, but is exclusive of sales tax / VAT and service tax. The principles of revenue recognition are given below:

a) Sale of goods is recognised on completion of supplies as per set / completed tower basis and upon raising commercial invoice and upon transfer of title / shipment of the products and on transfer of significant risk and reward of ownership.

b) In case of turnkey project contracts, revenue from fixed price and / or work contracts are recognised under the percentage completion of the contract by reference to the proportion of the contract cost incurred for work performed up to the reporting date bears to the total estimated contract cost. Additional claims including escalation are recognised as contract revenue in the year in which the claims are admitted. Future expected loss, if any, is recognised as expenditure. Warranty period expenditure, if any, is accounted as and when incurred.

c) Export sales are accounted at the exchange rate prevailing on the date of invoice and exchange variation on realisation is accounted in the year of receipt of sale proceeds. Export incentive under the duty drawback scheme is recognised on receipt basis and on fulfilment of obligation.

d) Income from lease of fixed assets is recognised in accordance with the terms of lease agreement.

e) Interest is recognised on time proportion basis.

f) Scrap sale is accounted on actual clearance.

4. Fixed Assets (AS-10)

All fixed assets are stated at cost of acquisition less accumulated depreciation/amortisation thereon except for land, which are either stated at cost or revalued amounts. Cost includes duties and any directly attributable cost to bring the assets to the working condition for its intended use.

5. Depreciation (AS-6)

Depreciation is provided on straight line basis on the assets existing prior to December 16, 1993 at the rates prevailing till that period and on additions made on or after the said date, at the revised rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets given on lease is amortised over the period of Lease.

6. Investments (AS-13)

a) Long term investments are valued at cost, less provision for permanent diminution, if any, in the value of such investments.

b) Current investments are valued at lower of cost and fair value.

7. Inventories (AS-2)

Inventories are valued as under:

a) Raw materials including components are valued at cost. Cost excludes refundable duties & taxes.

b) Work-in-process are valued at cost. In-respect of turnkey contracts, work-in-process are valued at the contract rates less estimated profit margins or net realisable value.

c) Finished goods are valued at lower of cost and net realisable value.

8. Intangible Assets (AS-26) - Research and Development

Revenue expenditure including overheads on Research and Development is expensed through the natural heads of account in the year in which incurred / accrued. Capital expenditure is included under fixed assets and depreciation is provided on such assets in the manner stated in policy 5 above.

9. Borrowing Costs (AS-16)

Borrowing Costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

10. Impairment of Assets (AS-28)

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

11. Foreign Currency Transactions (AS-11)

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.

b) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

c) The difference in translation of monetary assets and liabilities and realised gains and losses arising on account of foreign exchange transactions are recognised in Profit and Loss account.

12. Employee Benefits (AS-15)

The estimated liability for employee benefits for present and past services which are due as per the terms of employment are determined in accordance with the requirements of Accounting Standard (AS) 15 "Employee Benefits" issued by the Companies (Accounting Standards) Rules, 2006. A brief description of the employee benefits are as follows:

a) Gratuity – The Company has an obligation towards gratuity, a defined retiring plan covering all eligible employees. The plan provides for lump sum payment in accordance with the Payment of Gratuity Act, 1972 to vested employees on retirement, death while in employment or on separation. Vesting occurs on completion of five years of service. The liability is determined and charged to profit and loss account on the basis of valuation by independent actuary.

b) Provident Fund – This is a defined contribution plan of the Government of India under which both the employer and employee contribute monthly at a pre-determined rate (currently up to 12 % of employee salary) and the Company has no further obligation.

c) Compensated Absences - This is a long term liability which has been determined in accordance by means of an independent actuarial valuation.

13. Taxation (AS-22)

a) Current tax – Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

b) Deferred tax - Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that asset will be realized in future.

14. Government Grants (AS-12)

a) Government grants in the nature of Capital Investment Subsidy are treated as Capital Reserve.

b) Government grants in the nature of Revenue are taken credit to Profit and Loss Account over the period of grant.

15. Leases (AS-19)

The Company's significant leasing arrangements are in respect of operating leases for premises and equipments. The leasing arrangements range from 11 months to 5 years generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable and receivable are charged as rent or recognised as income, in the Profit and Loss Account.

16. Provisions and Contingencies (AS-29)

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that, there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

17. Earnings Per Share (EPS): (AS-20)

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, Earnings Per Share notified by the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive.

B. NOTES TO ACCOUNTS

1. Adjustments / Regroupings

Impact of Restatement:

Statement of adjustments to Audited Profit and Loss accounts

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
Net Profit after tax and after extra ordinary items as per audited financial statements	**270.00**	**770.85**	**332.27**	**141.56**	**212.50**
Add/Less Adjustments for					
a) Depreciation relating to earlier years	(0.21)	(0.17)	(0.17)	(0.17)	(0.17)
b) Others					
i) Sales Tax of earlier years written off credited / (debited) to expenditure	3.73	(1.74)	17.91	7.48	1.59
ii) Excess provision/credit balances written back	(0.39)	(10.09)	0.98	3.82	0.29
iii) Prior Period adjustments	(6.30)	-	6.30	-	-
iv) Provision for doubtful debts	-	-	(96.90)	-	-
Total Adjustments	**(3.17)**	**(12.00)**	**(71.88)**	**11.13**	**1.71**
Tax Effect on above	1.08	4.08	24.44	(3.75)	(0.58)
Income Tax of earlier year and refund	(7.82)	(6.71)	0.73	13.80	-
Total Adjustments (net of tax)	**(9.91)**	**(14.63)**	**(46.71)**	**21.18**	**1.13**
Restated Profit after tax	**260.09**	**756.22**	**285.56**	**162.74**	**213.63**

Adjustment of Depreciation Relating to Earlier Years

In the year 2001-02, the Company had imported plant and machinery on which the customs duty of Rs.3.10 Mn payable in terms of licence issued by Software Technology Parks of India, Hyderabad was not capitalized. And the same is capitalized and the depreciation is provided in restated financial statements.

Adjustment of Sales Tax of Earlier Years Written Off

Earlier year’s Sales tax written off has been restated in respective years in restated financial statements.

Adjustment of Excess Provision / Credit Balances Written Back

Excess Provision / Credit balances written back have been restated in respective years in the restated financial statements.

Adjustment for Prior Period Taxes

The Company recorded tax provisions in earlier years which crystallized on completion of assessments made by the income tax authorities. Difference was recorded as a credit or charge in the financial statements. Accordingly, the effect of these tax provisions has been adjusted to the period / year to which the tax related in the restated financial statements.

Provision for Doubtful debts

Provision has been made for the debtors considered doubtful in respective years in the restated financial statements.

Statement of Adjustments to Audited Assets and Liabilities

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
1) Reserves and Surplus	(202.83)	(192.93)	(178.30)	(131.58)	(152.76)
2) Current Liabilities	(1.48)	(4.64)	(16.47)	8.72	14.12
3) Provision	(0.41)	(7.15)	(9.79)	(17.57)	(9.08)
Total Liabilities	**(204.72)**	**(204.72)**	**(204.56)**	**(140.43)**	**(147.72)**
4) Fixed Assets	3.10	3.10	3.10	3.10	3.10
Less: Accumulated Depreciation	1.31	1.10	0.94	0.77	0.60
Net Block	1.79	2.00	2.16	2.33	2.50
5) Deferred Tax Asset	92.60	92.60	92.60	59.66	59.66
6) Sundry Debtors	(103.71)	(103.71)	(103.71)	(6.81)	(6.81)
7) Other Current Assets	(195.40)	(195.40)	(195.40)	(195.40)	(195.40)
8) Loans and Advances	-	(0.21)	(0.21)	(0.21)	(7.67)
Total Assets	**(204.72)**	**(204.72)**	**(204.56)**	**(140.43)**	**(147.72)**

2. **Contingent Liabilities:**

(***Rs. in Million)***

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
a) Liability towards irrevocable letters of credit established	631.01	1,563.34	1,051.91	1,248.66	503.02
b) Liability towards bank guarantee	5,661.16	2,380.48	1,525.26	1,036.25	339.01
c) Liability towards partly paid shares	-	-	8.41	8.41	-
d) Corporate guarantee given to Bank and Financial Institutions for financial assistance extended to Wholly Owned Subsidiary / Body Corporate	30.02	30.02	60.00	60.00	-

3. **Claims against the Company not acknowledged as debts:**

a) Show cause notices received from Central Excise authorities towards levy of excise duty on income received from installation and commissioning of towers, for the period from January 2005 to March 2009, **Rs.48.99 Mn** (30-06-2008: Rs.104.57 Mn, 30-06-2007: Rs.104.57 Mn, 30-06-2006: Rs.81.85 Mn, 30-06-2005: Rs.45.43 Mn). The Company has submitted replies to the show cause notices challenging the department claims. The department is yet to commence its adjudication proceeding.

b) In the year 2006-07, no provision has been made towards income tax demand together with interest for **Rs.50.70Mn** (30-06-2006:Rs.50.70 Mn, 30-06-2005: Rs.200.74 Mn) for the assessment year 1999-2000, which is under appeal in the Tribunal and stay has been granted on the same. The demand represents tax and interest thereon on capital gains considered by the department on transfer of cable division. However, the Company contends the demand during the assessment year 1999-2000 stating that no transfer of assets has taken place and that only management of the cable division was vested with Sterlite Telecom Limited.

c) Commissioner of Customs, Mumbai and Hyderabad raised demand for customs duty and penalties for **Rs.300.07 Mn** (30-06-2008: Rs.300.07 Mn, 30-06-2007: Rs.300.07 Mn, 30-06-2006: Nil, 30-06-2005: Nil) and **Rs.15.97 Mn** (30-06-2008: Rs.15.97 Mn, 30-06-2007: Rs.15.97 Mn, 30-06-2006: Nil, 30-06-2005: Nil) respectively, on import of parts of Dense Wavelength Division Multiplexing (DWDM) equipment, rejecting the claim made by the Company for concessional rate of duty. The Company has contested the customs duty demand raised by Commissioner of Customs, Mumbai and Hyderabad and filed appeals before Customs, Excise and Service Tax Appellate Tribunal, Mumbai and Bangalore, which are pending to be heard. Simultaneously the Company also approached the Mumbai Appellate Tribunal for stay of demand. While granting the stay, the Tribunal observed that, "We find prima facie force in the applicants (the Company) argument that Rule 2 (a) of the interpretative Rules is not required to be applied for claiming exemption which has to be extend to the goods in the form in which they are cleared as held in the case of SAB Electronics" and granted conditional stay subject to payment of **Rs.60 Mn** The Company has approached the Hon'ble High Court of Mumbai for stay of demand. The Hon'ble High Court of Mumbai has granted the stay on demand raised by Commissioner of Customs, Mumbai subject to the payment of **Rs.30 Mn** as deposit. Based on the High Court order the Company has deposited **Rs.30 Mn** with the Commissioner of Customs, Mumbai in 2003-04. In respect of **Rs.15.97 Mn** demand raised by Commissioner of Customs, Hyderabad, the Company has deposited **Rs.12.37 Mn** in 2006-07. The deposit amounts are shown under loans and advances.

d) Commissioner of Customs, Chennai raised demand towards customs duty, fine and penalties for **Rs.7.05 Mn** (30-06-2008 Rs. 7.05 Mn, 30-06-2007: Nil, 30-06-2006: Nil, 30-06-2005: Nil,) on import of 12 Volt/7 AH VRLA Batteries, rejecting the Company's claim for duty exemption. The Company has contested the demands raised by Commissioner of Customs, Chennai and filed an appeal before Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Chennai, which is pending to be heard.

4. Estimated amount of Contracts remaining to be executed on capital account not provided for [net of advances **Rs.3.35 Mn** (30-06-2008: Rs.10.46 Mn, 30-06-2007: Rs.1.66 Mn, 30-06-2006: Rs.3.17 Mn, 30-06-2005: Nil)] **Rs.34.65 Mn** (30-06-2008: Rs.55.41 Mn, 30-06-2007: Rs.13.99 Mn, 30-06-2006: Rs.4.93 Mn, 30-06-2005: Rs.4.06 Mn).

5. Managerial Remuneration:

Particulars of remuneration to Managing Director and Whole Time Directors.

i. Remuneration to Whole Time Directors:

(Rs. in Million)

Particulars	**15 months period ended September 30, 2009**	**For the year ended June 30**			
		2008	**2007**	**2006**	**2005**
Salary and Allowances	1.90	5.20	4.22	4.33	2.59
Commission	-	2.50	2.50	2.17	-
Contribution to Provident and other funds	0.23	0.42	0.36	0.36	0.21
Other Benefits	0.02	0.03	0.03	0.02	0.03
Total	**2.15**	**8.15**	**7.11**	**6.88**	**2.83**

ii. Remuneration to Managing Directors:

(Rs. in Million)

Particulars	**15 months period ended September 30, 2009**	**For the year ended June 30**			
		2008	**2007**	**2006**	**2005**
Salary and Allowances	11.03	9.17	-	-	-
Commission	4.00	-	-	-	-
Contribution to Provident and other funds	0.73	0.42	-	-	-
Other Benefits	0.06	0.06	-	-	-
Total	**15.82**	**9.65**	**-**	**-**	**-**

Note:

1. The remuneration for the 15 months period ended September 30, 2009 include

   a) Rs.3.18 Mn to a Managing Director who was appointed in the Board of Directors meeting with effect from March 30, 2009; and
   b) Rs.0.51 Mn to a whole time director who was appointed in the Board of Directors meeting with effect from August 28, 2009;
   c) The terms of appointment and the related remuneration are subject to the approval in the shareholders meeting.

2. Commission payable to managing director is @ 1% of net profit subject to maximum of **Rs.5.00 Mn.**

3. Sitting fee to other directors **Rs.0.14 Mn** (30-06-2008: Rs.0.13 Mn, 30-06-2007: Rs.0.09 Mn, 30-06-2006: Rs.0.10 Mn, 30-06-2005: Rs.0.02 Mn)

6. Share Capital

a) At the Extra Ordinary General Meeting of the members of the Company held on February 6, 2008, the members of the Company had approved increase of authorised capital from Rs. 300,000,000 divided into 30,000,000 Equity shares of Rs.10 each to Rs.450,001,000 divided into 38,000,000 Equity shares of Rs.10 each, 100 Investor Equity shares of Rs. 10 each with differential voting right and 7,000,000 Series "A" Convertible Cumulative Participatory Preference Shares of Rs. 10 each. Further in the meeting, the members of the Company pursuant to the provisions of sec 81 (IA) and other applicable provisions of the Companies Act,1956 have given consent to the Board for allotment of 7,000,000 fully paid up Series "A" Convertible Cumulative Participatory Preference Shares of Rs. 10 each at a premium of Rs. 90 each for a consideration of Rs.700,000,000 and 100 fully paid up Investor Equity shares of Rs. 10 each at a premium of Rs.220 each for a consideration of Rs.23,000 to India Growth Fund, a unit scheme of Kotak SEAF India Fund.

b) At the Extra-ordinary General Meeting held on March 24, 2008, the members of the Company pursuant to the provisions of section 81 (IA) and other applicable provisions of the Companies Act, 1956 have given consent to the Board for allotment of 14,000,000 warrants on preferential basis to Mr. Sumanth Paturu, the promoter director of the Company, which are eligible for conversion into equity shares of Rs.10 each, for a consideration of Rs.140,000,000. These warrants were converted on June 13, 2008 upon receipt of full consideration.

c) At the Annual General Meeting of the Members held on November 21, 2008, the members of the Company had approved increase in the authorized share capital from Rs. 380,000,000 divided into 38,000,000 Equity Shares of Rs.10 each to Rs. 480,000,000 divided into 48,000,000 Equity Shares of Rs. 10 each.

7. Loans and Advances includes

Other advances aggregating to **Rs 69.75 Mn** (30-06-2008: Nil, 30-06-2007: Nil, 30-06-2006: Nil, 30-06-2005: Nil) outstanding for more than one year but less than two years, and **Rs.0.09 Mn** (30-06-2008: Rs.5.59 Mn) outstanding for more than two years are subject to confirmation and reconciliation. In the opinion of the Management, no provision is required to be made in the book of accounts and is good for recovery.

8. The Company has entered into an agreement dated April 24,1998 with Sterlite Telecom Limited (STL) and has agreed to vest in favour of STL, its business undertaking for manufacture of Jelly filled Cables and optical fibre cables (Cable Division). It was also agreed between the Company and STL that, on and from the management date, STL is to manage and run the said undertaking on such terms and conditions set out in the agreement. In terms of management agreement the profits/ losses from the date of management accrue to the account of STL. The operations of the cable division for the nine month period ended April 30, 2007 have resulted in a loss of **Rs.14.48 Mn** (2005-06: Rs.32.91 Mn, 2004-05: Rs.41.85 Mn).

Upon execution of sale deed on April 30, 2007, the Company has transferred the following Assets and Liabilities relating to Cable Division to STL resulting in net loss of Rs. 67.88 Mn which has been charged to profit and loss Account.

(Rs. in Million)

Particulars	Amount	Amount
Assets Transferred		
Gross Block of Fixed Assets	523.12	
Less: Depreciation	128.69	
Net Block of Fixed Assets		394.43
Other Advances & Deposits		2.18
Miscellaneous Expenditure not written off		0.73
Total Assets		**397.34**
Liabilities Transferred		
Interest free Sales Tax Loan		7.70
Sundry Creditors		1.17
Other Liabilities		0.28
Provision for Doubtful advances		0.02
State Subsidy		1.50
Due to Sterlite Telecom		318.79
Total Liabilities		**329.46**
Net Loss on Sale of Cable Division		67.88

9. **Fixed assets include**

Gross Block **Rs.3.31 Mn** (30-06-2008: Rs.9.64 Mn, 30-06-2007: Rs.9.64 Mn 30-06-2006: Rs.9.64 Mn, 30-06-2005: Rs.9.64 Mn) and Net Block **Rs.0.66 Mn** (30-06-2008: Rs.1.55 Mn, 30-06-2007: Rs.2.51 Mn, 30-06-2006: Rs.3.47 Mn, 30-06-2005: Rs.4.43 Mn) relating to assets given on finance lease. These assets will be transferred to lessees on expiry of the lease period. Lease Deposit received **Rs.0.03 Mn** (30-06-2008: Rs.0.08 Mn, 30-06-2007: Rs.0.08 Mn, 30-06-2006: Rs.0.08 Mn 30-06-2005: Rs.0.08 Mn) represent Security Deposit received from the Lessees, which will be adjusted against the residual value of these assets on such transfer in accordance with the lease agreements.

10. **Capital Subsidy of Rs.1.50 Mn** received in earlier years from the Government of Andhra Pradesh towards Investment Subsidy for the new projects has been treated as Capital Reserve in the year 2005-06.

Revenue Subsidy of **Rs.4.19 Mn** (30-06-2008: Rs.4.19 Mn, 30-06-2007: Rs.4.19 Mn, 30-06-2006: Rs.4.19 Mn, 30-06-2005: Rs.4.19 Mn) received in earlier years from Indian Renewable Energy Development Agency Limited (IREDA), a Government of India Enterprise, in respect of water pumping systems has been credited to Reserves and Surplus and transferred to Profit and Loss account proportionately over the lease period. Transfer made from Reserves and Surplus to the Profit and Loss account during the year is **Rs.0.39 Mn (**30-06-2008: Rs.0.42 Mn, 30-06-2007: Rs.0.42 Mn, 30-06-2006: Rs.0.42 Mn, 30-06-2005: Rs.0.42 Mn).

11. Additional information pursuant to paragraph 3,4C and 4D of Part – II of Schedule VI to the Companies Act, 1956.

(A) Capacities

Class of Goods	Licensed Capacity*					Installed Capacity **				
	2008-09 (Nos)	2007-08 (Nos)	2006-07 (Nos)	2005-06 (Nos)	2004-05 (Nos)	2008-09 (Nos)	2007-08 (Nos)	2006-07 (Nos)	2005-06 (Nos)	2004-05 (Nos)
Antennas :										
a) BTS	-	-	-	-	-	20,500	20,500	20,500	20,500	20,500
b) CPE's	-	-	-	-	-	1,000,000	1,000,000	-	-	-
Masts/ Towers (MTs)	-	-	-	-	-	200,000	200,000	200,000	96,000	96,000
Shelters	-	-	-	-	-	30,000	30,000	30,000	-	-
Radio Communication Equipment	-	-	-	-	-	-	-	317,400	317,400	317,400
Communication Equipment:										
a) Wireless / Wire line Eqp.	-	-	-	-	-	35,000	35,000	-	--	-
b) CPE's	-	-	-	-	-	1,000,000	1,000,000	-	-	-
Transformers	-	-	-	-	-	50,000	50,000	50,000	-	-
Solar Photo Voltaic Systems	-	-	-	-	-	30,000	30,000	30,000	30,000	30,000
Jelly Filled Tele Cable(in CKM)	-	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000
Optical Fibre Cable (in RKM)	-	-	-	-	-	-	-	15,000	15,000	15,000

* No license is required for the products manufactured by the Company under the liberalized industrial policy of Government of India.

** As Certified by Management

(B) Turnover and Production

(i) Sales

Class of Goods	Quantity(Nos.)					Value (Rs. in Million)				
	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005
Towers (MTs)	47,298.194*	73,292.71*	66,514.51*	52,299.58	43,252.11	2,924.21@	4,425.45@	4,019.65@	2,713.34	2,335.45
Shelters	1,740Nos & 606.10 Sq.Mtrs	1,913Nos & 27,768 Sq.Mtrs	876 Nos	-	-	177.93	218.49@	118.46@	-	-
Antennas	12	370,736#	180,897#	-	148	-	-	3.10	0.20	6.21
Communication Equipment	521	624,880	554,905	65,688		423.47	1,824.57	1,740.33	557.96	
Radio Communication Equipment & Parts thereof	-	-	-	-	82,329	-	-	-	-	636.36
Solar Photo Voltaic Systems	18,854	11,546	1,254	1,626	21	68.25	27.39	0.55	5.16	0.14
Transformers	7,925**	6,449**	4,530**	-	-	-	-	-	-	-
Optical Fibre Cable (in RKM)	-	-	-	-	35,402	-	-	-	-	55.19
Others (including Service Income)	-	-	-	-	-	5,634.08	4,676.54	2,141.24	883.65	484.09
Total						**9,227.94**	**11,172.44**	**8,023.33**	**4,160.31**	**3,517.44**
Less: Excise Duty						(212.82)	(532.88)	(502.03)	(550.70)	(393.27)
Total Sales						**9,015.12**	***10,639.56***	***7,521.30***	***3,609.61***	***3,124.17***

(ii) Production

Class of Goods	Quantity(Nos.)				
	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005
Towers (MTs)	49,129.20*	72,720.68*	67,035.87	52,284.90	43,668.52
Shelters	1,740 Nos & 606.10 sq. Mtrs	1,913 Nos & 27,768 sq. Mtrs	876 Nos.	-	-
Antennas	12	370,736	180,897	-	148
Communication Equipment	521	624,880	554,905	65,688	-
Radio Communication Equipment & Parts thereof	-	-	-	-	82,329
Solar Photo Voltaic Systems	18,854	11,546	1,254	1,626	21
Transformers	7,925**	6,449**	4,530**	-	-
Optical Fibre Cable (in RKM)	-	-	-	-	34,225

Note:

Turnover excludes **Rs.481.47Mn** inter-divisional sales (30-06-2008: Rs.405.96 Mn, 30-06-2007: Rs.312.96Mn, 30-06-2006: Rs.171.88 Mn, 30-06-2005: Rs.4.53 Mn) and includes sale of bought out items.

* Quantity includes **3,269 MT** (30-06-2008: 632.328 MT, 30-06-2007: 345.07 MT, 30-06-2006: Nil, 30-06-2005: Nil) stock transfers from Towers Division & Includes **Nil** (30-06-2008: 850.006 MT, 30-06-2007: Nil, 30-06-2006: Nil, 30-06-2005: Nil) cleared under Rule-16.

Patch panel antennas: **Nil** (30-06-2008: 370,698 Nos, 30-06-2007: 178,593 Nos, 30-06-2006: Nil, 30-06-2005: Nil).

Transformers **7,925 Nos. (30-06-2008: 6,449 Nos, 30-06-2007: 4,530 Nos, 30-06-2006: Nil, 30-06-2005: Nil), transferred to other divisions.

@ Includes sale of raw materials **Rs.146.42 Mn** (30-06-2008: Rs.55.17 Mn, 30-06-2007: Rs. 38.22 Mn, 30-06-2006: Nil, 30-06-2005: Nil).

(C) Opening and Closing Stock of Finished Goods

(i) Opening Stock

Class of Goods	Quantity(Nos.)					Value (Rs. in Million)				
	As at July 01, 2008	As at July 01, 2007	As at July 01, 2006	As at July 01, 2005	As at July 01, 2004	As at July 01, 2008	As at July 01, 2007	As at July 01, 2006	As at July 01, 2005	As at July 01, 2004
Masts Towers	- 396.370 MT	- 968.405 MT	- 447.045 MT	1 461.730 MT	1 45.320 MT	18.79	40.29	18.34	16.73	1.92
Radio Communication Equipment & Parts thereof	-	-	-	-	334	-	-	-	-	0.22
Transmission and Distribution	-	-	-	86.202 MT	77.208 MT	-	-	-	2.15	2.10
Solar Photo Voltaic Systems	-	-	-	-	12	-	-	-	-	0.02
Jelly Filled Tele Cable(in CKM)	-	-	-	-	-	-	-	-	1.29	-
Optical Fibre Cable (in RKM)	-	-	-	-	94.55	-	-	-	-	1.98
Total						**18.79**	**40.29**	**18.34**	**20.17**	**6.24**

(ii) Closing Stock

Class of Goods	Quantity(Nos.)					Value (Rs. in Million)				
	As at September 30, 2009	As at June 30, 2008	As at June 30, 2007	As at June 30, 2006	As at June 30, 2005	As at September 30, 2009	As at June 30, 2008	As at June 30, 2007	As at June 30, 2006	As at June 30, 2005
Masts Towers	- 361.802 MT	- 396.370 MT	- 968.405 MT	- 447.045 MT	1 461.730 MT	16.54	18.79	40.29	18.34	16.73
Communication Equipment	-	-	-	-	-	-	-	-	-	-
Transmission and Distribution	-	-	-	-	86.202 MT	-	-	-	-	2.15
Solar Photo Voltaic Systems	-	-	-	-	-	-	-	-	-	-
Jelly Filled Tele Cable(in CKM)	-	-	-	-	-	-	-	-	-	1.29
Optical Fibre Cable (in RKM)	-	-	-	-	-	-	-	-	-	-
Total						**16.54**	**18.79**	**40.29**	**18.34**	**20.17**

(D) Raw Materials / Components Consumed

Description	15 months period ended September 30, 2009		For the year ended June 30, 2008		For the year ended June 30, 2007		For the year ended June 30, 2006		For the year ended June 30, 2005	
	Quantity (Nos. In '000)	Value (Rs. in Million)	Quantity (Nos. In '000)	Value (Rs. in Million)	Quantity (Nos. In '000)	Value (Rs. in Million)	Quantity (Nos. In '000)	Value (Rs. in Million)	Quantity (Nos. In '000)	Value (Rs. in Million)
Aluminium	26MT	3.67	20MT	3.18	13 MT	2.46	7 MT	1.02	8 MT	1.24
Copper Material	398MT	106.33	290MT	104.73	187 MT	64.81	196 MT	54.31	41 MT	7.71
Mild steel Material	57,233 MT	2047.78	73,022 MT	2,373.20	70,457 MT	1,929.58	59,191 MT	1,401.91	44,340 MT	1,196.23
Zinc	2,467MT	205.79	3,434MT	419.92	3,157 MT	604.76	2,615 MT	318.61	1843MT	126.58
Cables / Cable Assemblies	350KM	20.61	784KM	60.28	480 KM	37.01	448 KM	15.43	333 KM	14.20
Electronic Components	1,857	268.44	4,025	1,088.57	5,012	1,006.98	2,133	510.07	1,139	353.74
Mechanical /Hardware	30,428	98.28	49,767	176.95	90,781	164.69	35,655	142.32	36,364	129.55
Solar Cells & Batteries	547	51.37	551	126.48	401	84.12	76	11.17	68	12.35
Furnace / Transformer Oil	1,955KL	77.93	2,087KL	64.67	1,991 KL	49.46	1,770 KL	41.14	-	-
Teflon Material	510MT	113.07	411MT	87.41	4MT	59.46	3 MT	41.85	-	-
Semi-finished Cables	-	-	-	-	-	-	-	-	34,251.21 KM	36.51
Others		2,679.15		2,651.67		1,189,04		79.74		118.40
Total		**5,672.42**		**7,157.06**		**5,192.37**		**2,617.57**		**1,996.51**

(E) Purchase of Goods for Resale

Description	15 months period ended September 30, 2009		For the year ended June 30, 2008		For the year ended June 30, 2007		For the year ended June 30, 2006		For the year ended June 30, 2005	
	Quantity	Value (Rs. in Million)	Quantity	Value (Rs. in Million)	Quantity	Value (Rs. in Million)	Quantity	Value (Rs. in Million)	Quantity	Value (Rs. in Million)
Electronic Equipment (Nos)	-	-	38,000	1.55	708,407	187.57	50	28.15	5	12.44
Zinc (MT)	310.51	27.66	-	-	-	-	-	-	-	-
Billets and Blooms (MT)	2,965.62	85.65	-	-	-	-	-	-	-	-
MS Bars / Angles / Channels (MT)	-	-	-	-	4,024.58	101.03	5,870	137.85	-	-
Mild Steel Material	582.57	23.63	-	-	-	-	-	-	-	-
Furnace Oil	258.20	5.33	-	-	-	-	-	-	-	-
Others		0.79		-		1.00		19.21		300.77
Total		**143.06**		**1.55**		**289.60**		**185.21**		**313.21**

Note: In the view of management, "Bought Out Components for Resale" invoiced to the customers along with goods manufactured by the Company are not in the nature of "Trade Sales", accordingly no disclosure has been made as required under clause (3)(ii)(b & d) of Part II of Schedule VI of the Companies Act, 1956.

(F) Value of Imported and Indigenous Raw Materials, Components and Stores Consumed During the Period / Year and Percentage of each to Total Consumption

Raw Materials / Stores	15 months period ended September 30, 2009		For the year ended June 30, 2008		For the year ended June 30, 2007		For the year ended June 30, 2006		For the year ended June 30, 2005	
	Value (Rs. in Million)	%	Value (Rs. in Million)	%	Value (Rs. in Million)	%	Value (Rs. in Million)	%	Value (Rs. in Million)	%
Imported	240.00	4.23	907.38	12.68	972.06	18.72	531.82	20.32	330.86	16.57
Indigenous	5,432.42	95.77	6,249.68	87.32	4,220.31	81.28	2,085.75	79.68	1,665.65	83.43
Total	**5,672.42**	**100.00**	**7,157.06**	**100.00**	**5,192.37**	**100.00**	**2,617.57**	**100.00**	**1,996.51**	**100.00**

(G) CIF Value of Imports

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005
Raw Materials	469.31	841.20	863.74	620.68	458.53
Store and Spares	0.32	0.68	0.30	-	-
Trade Purchases	-	-	131.71	19.63	90.79
Capital Goods	-	36.36	40.28	33.82	9.95
Total	**469.63**	**878.24**	**1,036.03**	**674.13**	**559.27**

(H) Earnings in Foreign Currency

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005
FOB value of Exports	91.97	140.96	110.62	44.46	77.48

(I) Expenditure in Foreign Currency

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005
Travelling Expenses	0.63	0.72	0.46	0.04	0.90
Commission	-	12.05	9.40	-	-
Branch Expenses	9.66	-	-	-	-
Total	**10.29**	**12.77**	**9.86**	**0.04**	**0.90**

12. Research and Development expenditure **Rs. Nil** (2007-08: Nil, 2006-07: Rs.20 Mn, 2005-06: Rs.20.02 Mn, 2004-05: Rs.35.03 Mn)**.**

13. Current tax has been provided based on the computation of income under Income Tax Act, 1961. For the purpose of making the provision, the Company has considered exemption under section 80IB of the Income Tax Act, 1961 in respect of profits earned in Telecom – Yanam division.

14. Pursuant to AS–22 on "Accounting for Taxes on Income" issued by the Companies (Accounting Standards) Rules, 2006, the Company has determined deferred tax liabilities and assets on timing differences. The major components of the net deferred tax asset and liabilities are given below:

(*Rs. in Million)*

Particulars	Liability/ (Asset) as at 30 September 2009	Liability/ (Asset) as at 30 June 2008	Liability/ (Asset) as at 30 June 2007	Liability/ (Asset) as at 30 June 2006	Liability/ (Asset) as at 30 June 2005
Deferred Tax Liability on timing difference due to:					
Depreciation	80.01	69.88	55.40	42.57	37.69
Allowances u/s 43B of Income Tax Act,1961	-	14.40	14.40	-	-
Total	**80.01**	***84.28***	**69.80**	**42.57**	**37.69**
Deferred Tax Asset on timing difference due to:					
Disallowances u/s 43B of Income Tax Act,1961	(8.95)	(4.65)	(6.08)	(4.43)	(3.40)
Provision for doubtful debts and advances	(170.76)	(163.43)	(163.21)	(115.90)	(103.41)
Ex-gratia towards Voluntary Retirement Scheme	-	-	(1.47)	(2.92)	(4.37)
Total	**(179.71)**	**(168.08)**	**(170.76)**	**(123.25)**	**(111.18)**
Net Deferred Tax (Asset) /Liability	**(99.70)**	**(83.80)**	**(100.96)**	**(80.68)**	**(73.49)**
Deferred tax credit / (debit) to Profit and Loss Account	**15.90**	***(17.16)***	**20.28**	**7.19**	**13.83**

15. Related Party Disclosure

15.1 List of related parties:

S. No	Particulars
A	**Subsidiaries**
1)	Icomm International Lanka (Private) Limited
2)	Vasitva Ispat Limited
3)	Icomm Energy Limited
B	**Key Management Personnel**
1)	Sri C.S. Rao - Managing Director (Till September 30, 2008)
2)	Sri Sumanth Paturu - Managing Director and Whole Time Director (From October 1, 2008)
3)	Sri S Mohanram - Managing Director (From April 1, 2009)
4)	Sri Trilochan Panda – Whole Time Director (From August 28, 2009)
C	**Relatives of Key Management Personnel**
1)	Sri Rama Rao Paturu
D	**Enterprise owned or significantly influenced by Key Management Personnel or their relatives**
1)	Isitva Steel Limited
2)	Icomm Limited
3)	ARM Celcom Limited
4)	Incap Limited
5)	Isitva Fasteners Private Limited
6)	ARM Telecom Services Limited
7)	Infocentre (Private) Limited
8)	Isitva Ventures Private Limited (Formerly known as PSR Builders & Developers (Private) Ltd)

15.2 Disclosure of transactions and balances between the Company and related parties and the status of outstanding balances.

Transactions with Related parties **(*Rs. in Million)***

Transaction	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005
Purchases / Services					
Incap Limited	-	-	-	0.01	0.01
Isitva Steel Limited	1,141.83	813.10	294.97	205.37	-
Isitva Fasteners (P) Ltd	102.10	103.81	64.80	54.61	-
Isitva Ventures (P) Limited	15.94	-	-	-	-
Sale of Goods					
Isitva Steel Limited	92.64	0.95	0.81	10.24	-
Isitva Fasteners P Limited	27.10	13.68	24.19	16.80	-
Reimbursement of Expenses					
Isitva Steel Limited	860.92	636.72	308.69	86.27	-12.83
Isitva Fasteners (P) Limited	97.34	54.81	65.51	40.28	-1.90
Icomm International Lanka (P) Ltd	0.01	4.08	-	-	-
Vasitva Ispat Limited	40.45	469.09	-	-	-
Isitva Ventures Pvt. Ltd.,(PSR)	10.15	-0.37	-	-	-
Icomm Energy Limited	0.67	-	-	-	-
Info centre Pvt.Ltd.	0.12	-	-	-	-
Others	-	-	-	-	-4.84
Investment in Subsidiaries					
Icomm International Lanka (P) Ltd	-	10.03	-	-	-
Vasitva Ispat Limited	2.00	-	-	-	-
Icomm Energy Limited	0.50	-	-	-	-
Share Application Money in Vasitva Ispat Limited	85.44	-	-	-	-
Rent Paid					
Info centre Pvt.Ltd.	0.36	0.40	0.40	0.40	1.03
Isitva Steel Limited	0.15	0.11	0.09	-	-
Rent Received					
Isitva Steel Limited	5.00	3.90	2.43	2.32	-
Isitva Fasteners (P) Limited	2.13	1.30	0.98	0.92	-

Key Management Personnel/ Relatives	Designation	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005
Remuneration						
Mr. Sumanth Paturu:	Whole time Director	1.64	8.15	7.11	6.08	2.12
	Managing Director	10.22	-	-	-	-
Col (Retd.) K.P.Rao	Whole time Director	-	-	-	0.80	0.71
Mr.C.S.Rao	Managing Director	2.42	9.65	-	-	-
Mr. S. Mohanram	Managing Director	3.18	-	-	-	-
Mr. Trilochan Panda	Whole time Director	0.51	-	-	-	-

Particulars	As at September 30, 2009	As at June 30, 2008	As at June 30, 2007	As at June 30, 2006	As at June 30, 2005
Receivables					
ARM Telecom Services.Ltd.,	0.01	0.01	10.16	10.16	10.16
Infocentre P ltd.,	-	-	9.70	10.00	10.38
Isitva Fasteners (P) Ltd.,	55.6	31.12	63.74	37.97	-
Icomm International Lanka (P) Ltd	2.09	4.08	-	-	-
Vasitva Ispat Limited	87.36	469.09	-	-	-
Icomm Energy Limited	0.67	-	-	-	-
Isitva Steel Limited	-	-	103.13	86.27	-
Others	0.11	0.11	1.35	7.84	0.08
Payables					
Isitva Ventures (P) Limited	6.16	0.37	-	-	-
Info centre Pvt.Ltd.	0.56	-	-	-	-
Isitva Steel Limited	-	34.27	-	-	7.16
Isitva Fasteners (P) Ltd.,	-	-	-	-	1.90

Note:

i) Finance provided represents payments made by the Company directly and also on behalf of the related parties.

ii) Finance received represents payments received by the Company directly and also made by the related parties on behalf of the Company.

16. Earnings per Share ("EPS")

For Earnings per Share disclosure refer Annexure - 12

17. Employee benefits as required under Accounting Standard 15

The Company’s liability on account of Employee benefits comprising Gratuity – a defined benefit scheme and compensated absences has been determined in accordance with the requirements of Accounting Standard (AS) – 15 notified by the Companies (Accounting Standards) Rules, 2006. Disclosures required in terms of the requirement of AS – 15.

(Rs. in Million)

Particulars	15 months period ended September 30, 2009		For the year ended June 30, 2008	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Change in Defined Benefit Obligations (DBO)				
Present Value of DBO at the beginning of the year	11.95	1.74	8.67	1.67
Current Service Cost	2.24	1.52	1.07	0.01
Interest Cost	1.22	0.17	0.70	0.13
Actuarial Losses /(Gains)	8.99	0.62	1.51	(0.07)
Benefits paid	(1.01)	(1.10)	-	-
Present Value of DBO at the end of the period	23.39	2.95	11.95	1.74
Expense recognized in the Statement of P/L	12.45	2.32	3.28	0.07
Actual Contribution and Benefit Payments				
Actual Benefit Payments	1.01	1.10	-	-
Assumptions				
Discount Rate%	8.10	8.10	8.10	8.10
Salary Escalation Rate%	7.00	7.00	7.00	7.00

18. Disclosure pursuant to Accounting Standard – 7 "Construction Contracts"

(Rs. in Million)

Sl. No.	Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007
1)	Amount of contract revenue recognized as revenue in the period	4,901.73	4,366.30	2046.38
2)	Aggregate amount of costs incurred and recognized profits (less recognized losses) up to the reporting date	4,898.79	3,554.69	1897.56
3)	Amount of advances received	2,141.21	414.59	383.03
4)	Amount of retention	1,614.95	588.29	355.21

Note: AS -7 disclosures are not applicable for the Financial Years 2005-06 and 2004-05 as there was no revenue from Construction Contracts.

19. Details as per the requirements of provisions under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED]

(***Rs. in Million)***

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
a) The Principal amount remaining unpaid at the end of the year	34.92	0.64
b) Interest due on the above	0.02	0.03
c) The amount of interest paid by the buyer along with amount of the payment made to the supplier beyond the appointed date	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under the Act	-	-

Note: MSMED Act is applicable for Financial Years 2008-09 and 2007-08.

The disclosure is based on information available with the Company regarding the status of suppliers.

2006-07: As at June 30, 2007 the Company owes to the following small scale Industrial Undertakings.

1. Anu Mould Crafts
2. Chinni Industries
3. Globe Engineers
4. Hi-tech Printers
5. Kohli Enterprises
6. Kushal Creations
7. Maruthi Engineering Enterprises
8. Nikhita Industries
9. Pragati Fabricators
10. Sai Ram Automats
11. Spm Fabricators
12. Sri Rajeswari Plastic Works
13. Vijaya Sree Automats
14. Aventec Engineers
15. Creative Industries
16. Goodwyn Enterprises
17. Jaya Engineering
18. Kubera Engineering Works
19. Manjula Meta Prints
20. Medha Servo Drives P Ltd
21. Perfect Auto Mats
22. Quality Engineering Works
23. Signus Engg Works
24. Sri Maruthi Engineering Works
25. Venkata Sai Engineering Works
26. Vijetha Industries

The Company has not received any intimation from 'Suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

2005-06: As at June 30, 2006 the Company owes to the following small scale Industrial Undertakings.

1. Anitha Tools
2. A R Industries
3. Aditya Weldaid (p) Ltd.
4. ACME Electronics
5. Chinni Industries
6. Creative Industries
7. Goodwyn Enterprises
8. Kubera Engineering Works.
9. Globe Engineers
10. Perfect Automats
11. Pragati Fabricators
12. Ratna Plast
13. Sri Rajeswari Plastic Works
14. Ushodaya Electro Powder Coats
15. Victory Enterprises
16. Kushal Creations
17. Kumar Enterprises
18. Kohli Enterprises
19. Medha Servo Drives (P) Ltd.
20. Manjula Meta Prints
21. Maruthi Engineering Enterprises
22. Nikhita Industries
23. Signus Engineering Works
24. Quality Engineering Works
25. Sri Maruthi Engineering works
26. Venkat Sai Engineering works
27. Vijetha Industries, Kushaiguda
28. Vijayasree Automats

2004-05: As at June 30, 2005 the Company owes to the following small scale Industrial Undertakings:

1. Duke Arnics Electronics (p) Ltd.,
2. Kamya Electro Plating
3. George Engineering Company
4. Goodwyn Enterprises
5. Hillfort Traders
6. J.H.S. Enterprises
7. Kotagiri Structurals
8. Micro Industrial Products
9. Meenakshi Bright Steel Bars (p) Ltd.
10. Maruthi Engineering Enterprises
11. Signus Engineering Works
12. Suprabhat Safety Products
13. Perfect Automas
14. Powertronics
15. Pampa Forming Techniques
16. Press Express
17. Rotary Electronics
18. Shilpa Industries
19. Stypack (p) Ltd.
20. Sri Sai Printers & Binders
21. Vijetha Industries
22. Vijayasree Automats

20. Auditors' Remuneration:

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005
Towards Audit Fees	3.00*	2.81	2.25	1.68	1.07
Tax Audit Fees	0.30*	0.22	0.22	0.17	0.17
Out of Pocket Expenses	0.04	0.04	0.04	-	0.03
Total	3.34	3.07	2.51	1.85	1.27

(* The figures are exclusive of Service tax.)

21. Segment Reporting as per Accounting Standard 17

Business Segments

The Company comprises the following main business segments:

1. EPC Power
2. EPC Infrastructure for Power & Telecom
3. EPC Telecom
4. EPC Water & Waste Water
5. Communications & Technology
6. Renewable & Others
7. Cables (Upto April 30, 2007)

a) For the 15 months period ended September 30, 2009

(Rs. in Million)

Particulars	EPC Power	EPC Infrastructure for Power & Telecom	EPC Telecom	EPC Water & Waste Water	Communi-cations & Technology	Renewable & Others	Eliminations	TOTAL
Revenue								
External Net Sales	4,652.93	2,917.83	849.59	131.50	395.04	68.23		9,015.12
Inter Segment Sales	-	460.62	-	-	20.85	-	(481.47)	-
Total Revenue	**4,652.93**	**3,378.45**	**849.59**	**131.50**	**415.89**	**68.23**	**(481.47)**	**9,015.12**
Result								
Segment Result	**1,354.62**	**(87.82)**	**205.59**	**32.53**	**(152.41)**	**(173.17)**		**1,179.34**
Operating profit								1,179.34
Interest expense								(862.59)
Interest Income								62.34
Profit before Tax								**379.09**
Tax expense and Fringe Benefit Tax								(119.00)
Net Profit after Tax								**260.09**
Other Information								
Segment Assets	5,456.18	3,477.46	821.29	134.40	1,482.76	1,055.95		12,428.04
Segment Liabilities	3,124.56	2,207.10	527.97	93.61	743.55	2,867.99		9,564.78
Capital Expenditure	62.16	149.71	3.90	0.42	7.00	27.83		251.02
Depreciation and Amortisation	28.50	49.82	2.04	0.04	15.21	12.94		108.55
Non Cash Expenditure Other than Depreciation	(12.44)	26.31	17.37	-	78.84	2.94		113.02

b) For the year ended June 30, 2008

(Rs. in Million)

Particulars	EPC Power	EPC Infrastructure for Power & Telecom	EPC Telecom	EPC Water & Waste Water	Communications & Technology	Renewable & Others	Eliminations	TOTAL
Revenue								
External Net Sales	4,006.06	4,352.93	474.48	-	1,778.77	27.32		10,639.56
Inter Segment Sales	-	359.41	-	-	46.55		(405.96)	-
Total Revenue	**4,006.06**	**4,712.34**	**474.48**	**-**	**1,825.32**	**27.32**	**(405.96)**	**10,639.56**
Result								
Segment Result	**1,130.99**	**352.18**	**91.57**	**-**	**60.15**	**(5.09)**	**-**	**1,629.81**
Operating profit								1,629.81
Interest expense								(406.92)
Interest Income								26.15
Profit before Tax								**1,249.04**
Tax expense and Fringe Benefit Tax								(492.82)
Net Profit after Tax								**756.22**
Other Information								
Segment Assets	3,596.17	3,605.57	579.26	-	1,907.08	713.92		10,402.00
Segment Liabilities	2,310.60	1,697.09	396.26	-	998.75	2,494.29		7,896.99
Capital Expenditure	1.62	183.30	5.89	-	24.10	22.19		237.10
Depreciation and Amortisation	1.04	32.93	0.33	-	14.76	6.57		55.63
Non Cash Expenditure Other than Depreciation	-	0.43	0.65	-	65.66	0.13		66.87

c) For the year ended June 30, 2007

(Rs. in Million)

Particulars	EPC Power	EPC Infrastructure for Power & Telecom	EPC Telecom	Communications & Technology	Renewable & Others	Eliminations	TOTAL
Revenue							
External Net Sales	1,912.10	3,617.64	172.92	1,716.76	101.88		7,521.30
Inter Segment Sales	-	290.60	-	22.36		(312.96)	-
Total Revenue	**1,912.10**	**3,908.24**	**172.92**	**1,739.12**	**101.88**	**(312.96)**	**7,521.30**
Result							
Segment Result	**212.16**	**603.57**	**(30.38)**	**50.57**	**(171.08)**	**-**	**664.84**
Operating profit							664.84
Interest expense							(268.84)
Interest Income							26.30
Exceptional Items / Loss on Sale of Cable Division							14.48
Profit before Tax							**436.78**
Tax expense and Fringe Benefit Tax							(151.22)
Net Profit after Tax							**285.56**
Other Information							
Segment Assets	1,196.68	2,487.11	247.31	1,380.87	531.08		5,843.05
Segment Liabilities	1,077.76	1,789.86	122.62	607.33	1,165.24		4,762.81
Capital Expenditure	8.70	148.48	0.21	29.57	6.12		193.08
Depreciation and Amortisation	1.99	30.10	0.28	15.53	7.24		55.14
Non Cash Expenditure Other than Depreciation	20.27	63.18	28.39	24.42	14.06		150.29

d) For the year ended June 30, 2006

(Rs. in Million)

Particulars	EPC Power	EPC Infrastructure for Power & Telecom	EPC Telecom	Communications & Technology	Cables	Renewable & Others	Eliminations	TOTAL
Revenue								
External Net Sales	248.83	2,407.07	264.93	551.15	2.89	134.74		3,609.61
Inter Segment Sales		173.95		-	-	-	(173.95)	-
Total Revenue	**248.83**	**2,581.02**	**264.93**	**551.15**	**2.89**	**134.74**	**(173.95)**	**3,609.61**
Result								
Segment Result	**89.78**	**256.15**	**5.68**	**(0.22)**	**(31.78)**	**(0.44)**	**-**	**319.17**
Operating Profit								319.17
Interest expense								(137.09)
Interest Income								6.79
Profit from ordinary activities								**188.87**
Amounts receivable in respect of loss of Cable division								32.91
Profit before Tax								**221.78**
Tax expense and Fringe Benefit Tax								(59.04)
Net Profit after Tax								**162.74**
Other Information								
Segment Assets	381.65	1,884.29	214.80	1,151.72	606.15	481.97		4,720.58
Segment Liabilities	334.86	1,092.67	151.28	895.38	217.53	1,233.16		3,924.88
Capital Expenditure	1.45	209.56	1.47	10.52	-	8.24		231.24
Depreciation and Amortisation	0.09	17.69	0.16	15.55	29.21	7.79		70.49
Non Cash Expenditure Other than Depreciation	0.06	19.15	13.70	3.98	1.00	4.26		42.15

e) For the year ended June 30, 2005

(Rs. in Million)

PARTICULARS	EPC Power	EPC Infrastructure for Power & Telecom	EPC Telecom	Communi-cations & Technology	Cables	Renewable & Others	Eliminations	TOTAL
Revenue								
External Net Sales	42.23	1,990.94	115.39	923.85	51.62	0.14		3,124.17
Inter Segment Sales		2.15		2.38	-	-	(4.53)	-
Total Revenue	**42.23**	**1,993.09**	**115.39**	**926.23**	**51.62**	**0.14**	**(4.53)**	**3,124.17**
Result								
Segment Result	**(11.69)**	**342.33**	**(7.10)**	**71.88**	**(42.11)**	**12.47**	**-**	**365.78**
Operating Profit								365.78
Interest Expense								(81.84)
Interest Income								15.35
Profits from ordinary activities								**299.29**
Exceptional Items - Provision for Doubtful Debts/Loss of Cable Division								(41.85)
Profit before Tax								**257.44**
Tax Expense								(43.81)
Net Profit after Tax								**213.63**
Other Information								
Segment Assets	49.90	1,032.90	152.18	783.50	641.17	374.10		3,033.75
Segment Liabilities	35.96	530.14	71.06	819.94	286.27	658.47		2,401.84
Capital Expenditure	0.01	103.77	2.18	5.13	-	3.80		114.88
Depreciation and Amortisation	0.03	10.30	0.05	14.82	36.14	24.92		86.25
Non Cash Expenditure Other than Depreciation	39.89	15.23	10.66	42.48	-	0.38		108.64

Notes to Segment Report:

1. Capital Expenditure, Depreciation and Amortisation, and Non Cash Expenditure other than Depreciation shown under the heading "Others" include corresponding expenses of Corporate Office.

2. The Company classifies and groups TIS, O&M, CSD, and IBU-Telecom divisions into "EPC Telecom".

3. Towers, Conductors, Shelters, and Transformer divisions are classified and grouped under "EPC Infrastructure for Power & Telecom ".

4. The Company classifies and groups Telecommunications, Defence, R & D, and Yanam divisions into "Communications & Technology" for the purpose of Internal Reporting.

5. Transmission, Distribution and IBU-Power divisions are classified and grouped under "EPC Power". Water & Sewerage and Oil & Gas divisions are classified and grouped under "EPC Water & Waste Water". Solar and other remaining divisions are classified and grouped under "Renewable & Others".

22. Figures of previous year have been regrouped / rearranged / reclassified wherever necessary to conform to the current year presentation.

Annexure - 5: Details of Other Income as restated

(Rs. in Million)

Particulars	**15 months period ended September 30, 2009**	**For the year ended June 30**				**Nature of Income**	***Related to Business Income or Not***
		2008	**2007**	**2006**	**2005**		
Interest income	62.34	*26.15*	*26.30*	*6.79*	*15.35*	*Recurring*	Related
Rent on building and equipment	11.88	*8.89*	*5.76*	*5.67*	*1.67*	*Recurring*	Related
Provision no longer required written back	0.38	*10.09*	*0.97*	*0.74*	*0.03*	*Non - Recurring*	Non Related
Profit on sale of assets	-	*1.18*	-	*0.01*	*45.73*	*Non - Recurring*	Non Related
Profit on Sale of Investments	-	-	-	-	*0.25*	*Non - Recurring*	Non Related
Credit balances written back	-	-	-	*0.24*	*0.01*	*Non - Recurring*	Non Related
Subsidy from IREDA transferred from Capital Reserve	0.39	*0.42*	*0.42*	*0.42*	*0.42*	*Recurring*	Related
Gain from Foreign Exchange Fluctuation	-	-	*47.33*	-	*41.13*	*Non - Recurring*	Related
Miscellaneous receipts	10.87	*5.77*	*1.21*	*44.52*	*24.74*	*Non - Recurring*	Non Related
Prior Period adjustments	6.30	-	-	-	-	*Non - Recurring*	Non Related
Total	**92.16**	***52.50***	***81.99***	***58.39***	***129.33***		

Note: The Classification of the income into recurring and non-recurring is based on the current operations and business activity of the Company.

Annexure - 6: Details of Investments as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
LONG TERM (Un Quoted) - At Cost					
In Subsidiary					
2,735,128 Equity shares of LKR 10 each in **ICOMM International Lanka (Private) Limited**	10.03	10.03	-	-	-
200,000 Equity shares of Rs.10 each in **Vasitva Ispat Limited**	2.00	-	-	-	-
50,000 Equity shares of Rs.10 each in **ICOMM Energy Limited**	0.50	-	-	-	-
Optel Telecommunications Limited (Quoted)					
35,500 Shares of Rs.10 each - Fully paid (Market value Rs. Nil)	2.49	2.49	2.49	2.49	2.49
161,800 Shares of Rs.10 each - Partly paid (Market value Rs. Nil)	2.91	2.91	2.91	2.91	2.91
Isitva Steel Limited (Un Quoted)					
10 Shares of Rs.10 each *	-	-	-	-	-
ARM Celcom Limited (Un Quoted)					
100 Shares of Rs.10 each **	-	-	-	-	-
	17.93	**15.43**	**5.40**	**5.40**	**5.40**
Less: Provision for diminution in value of the investment	5.40	5.40	5.40	5.40	5.40
Total Investments as restated	**12.53**	**10.03**	**-**	**-**	**-**

* Investment in Isitva Steel Limited is Rs.100
** Investment in ARM Celcom Limited is Rs.1,000

Annexure - 7: Details of Sundry Debtors, Loans and Advances as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
Sundry Debtors (Unsecured)					
Outstanding for more than six months					
i. Considered good	2,104.80	650.42	839.69	340.28	348.05
ii. Considered doubtful	229.94	192.12	192.12	192.02	155.80
Other Debts - Considered good	4,320.69	5,630.65	2,638.12	1,690.12	1,025.75
Total	**6,655.43**	**6,473.19**	**3,669.93**	**2,222.42**	**1,529.60**
Less: Provision for doubtful debts	229.94	192.12	192.12	192.02	155.80
Total	**6,425.49**	**6,281.07**	**3,477.81**	**2,030.40**	**1,373.80**
Adjustments	**(103.71)**	**(103.71)**	**(103.71)**	**(6.81)**	**(6.81)**
Total Sundry Debtors as restated	**6,321.78**	**6,177.36**	**3,374.10**	**2,023.59**	**1,366.99**
Loans and Advances					
Advance recoverable in cash or in kind for the value to be received	353.33	591.49	472.46	189.71	80.32
Advance - Others	34.27	84.24	51.77	48.25	46.92
Advance towards Share Application Money	85.44	-	-	-	-
Balance with Customs, Central Excise & Sales Tax authorities	239.27	30.66	27.03	56.09	48.44
Advance to staff	14.22	12.49	62.22	58.23	62.84
Advance Income Tax and Tax Deducted at Source	27.55	60.18	31.93	-	-
Retention money receivable	2,125.65	1,279.17	-	-	-
	2,879.73	**2,058.23**	**645.41**	**352.28**	**238.52**
Considered good	2,852.99	2041.98	629.81	342.14	230.27
Less: Amount Transferred to Sterlite Telecom Limited	-	-	2.16	-	-
Net Considered good	**2,852.99**	**2,041.98**	**627.65**	**342.14**	**230.27**

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
Considered doubtful	26.74	16.25	15.62	10.14	8.25
Less: Amount transferred to Sterlite Telecom Limited	-	-	0.02	-	-
Net Considered doubtful	**26.74**	**16.25**	**15.60**	**10.14**	**8.25**
Total	**2,879.73**	**2,058.23**	**643.25**	**352.28**	**238.52**
Less: Provision for doubtful advances	26.74	16.25	15.60	10.14	8.25
Total Loans and Advances	**2,852.99**	**2,041.98**	**627.65**	**342.14**	**230.27**
Adjustments	**-**	**(0.21)**	**(0.21)**	**(0.21)**	**(7.67)**
Total Loans and advances as restated	**2,852.99**	**2,041.77**	**627.44**	**341.93**	**222.60**

Annexure - 8: Details of Secured Loans as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
Term Loans					
From Bank	7.50	79.00	146,39	200.00	-
From others	988.96	720.00	-	-	-
Interest accrued and due on the above	35.35	-	-	-	-
	1,031.81	**799.00**	**146.39**	**200.00**	-
Cash Credits and Working Capital Loan from Banks	1,756.34	887.08	882.17	444.70	310.48
Vehicle and Equipment Loans	14.41	15.74	14.59	17.42	17.72
Total Secured Loans as restated	**2,802.56**	**1,701.82**	**1,043.15**	**662.12**	**328.20**

DETAILS OF SECURED LOANS OUTSTANDING AS AT SEPTEMBER 30, 2009

a) Term Loans

(Rs. in Million)

Description	Amount Sanctioned	Amount Outstanding	Rate of Interest	Repayment Terms	Securities Offered
Infrastructure Development Finance Company Limited	500.00	405.15	3.5% over and above the PLR	Repayment to be made in 8 quarterly instalments commencing at the end of 12 months from the date of first disbursement of the loan	First pari passu charge of all the company's movable and immovable properties, both present and future. * Exclusive pledge of shares held by the sponsor in demat form in the equity share capital of the borrower representing 26% of the total paid up equity share capital of the Company. The share to be pledge shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement including shareholders agreement/joint venture agreement/ financing arrangement with regard to pledge/transfer of the shares including transfer upon enforcement of the pledge.
L&T Infrastructure Finance Co Ltd	500.00	396.90	PLR Minus 0.75%	Repayment to be made in 50 equal monthly instalments after the end of moratorium period of 10 months from the date of first disbursement	* A first charge by way of hypothecation and mortgage in favour of the lender on all of the borrower's immoveable and moveable assets to be procured out of the facility. * A second pari passu charge on all the moveable and immoveable assets of the borrower excluding the assets acquired out of the facility and those assets which are exclusively charged to IDFC and State Bank of Travancore. *Exclusive pledge of shares of the borrower held by the promoters, amounting to 26% of the entire shareholding of the borrower to be reduced to 10% upon perfection of security. * Exclusive 1st charge of the lender on the Debt service reserve account or the bank guarantee comprising 3 months of interest payment

Description	Amount Sanctioned	Amount Outstanding	Rate of Interest	Repayment Terms	Securities Offered
					and 3 months of principal repayments.
IL&FS Financial Services Ltd	220.00	222.26	16.25% p.a payable monthly in arrears.	Repayment is to be made in three equal instalments at the end of 24th month, 30th month and 36th months from the first date of disbursement	* Pledge/cross pledge of 35% state in the Company. This security rank pari-passu with the loan of Rs.580 million lent and advanced to PSR Builders and Developers Private Limited. * Irrevocable and unconditional personal guarantee of Mr. Sumanth Paturu. * Demand promissory note by the company. * Post dated cheques issued by the company for principal and interest
State Bank of Travancore	200.00	7.50	9.50% p.a (1.50% below BPLR) Minimum 9.50% p.a.	35 monthly instalment of Rs 5.5 Mn each after 3 months from first disbursement & final instalment of Rs 7.5 Mn.	First Charge on Fixed Assets of the company worth not less than Rs 20 Crs ; and Personal Guarantee of Mr Sumanth Paturu
TOTAL		**1031.81**			

b) Cash Credits and Working Capital Loans

(Rs. in Million)

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
Syndicate Bank	450.00	723.92	Banks Prime Lending Rate(BPLR)	These loans are repayable on demand	First pari-passu charge on current assets as per consortium arrangement	1)Plant & Machinery worth 40.5 millions 2)Companies' property worth 203millions
State Bank of Hyderabad	135.00	105.10	1% above SBHPLR p.a	These loans are repayable on demand	First pari-passu charge on the current assets of the company along with other consortium member banks	Equitable Mortgage of immovable property on first pari-passu basis along with the other consortium member banks
State Bank of India	100.00	100.66	2.5% above SBAR effective Rate	These loans are repayable on demand	First pari-passu charge on the current assets of the company along with other WC consortium banks	1)First pari-passu charge on P&M of Telecom Division at Cherlapally and Towers Division at Nagaram 2)EM(Paripassu charge) of land & Buildings of the company 3)2nd paripassu charge on Fixed assets of the company. 4)EM of properties belonging to guarantors
Bank Of Baroda	52.00	52.73	1.5% over BPLR	These loans are repayable on demand	First charge on Current assets of the company on paripassu basis along with the consortium banks	First paripassu charge on immovable properties and movable properties belonging to the company worth 591.1 millions.
UCO Bank	20.00	19.97	Bank prime Lending Rate(BPLR)	These loans are repayable on demand	First charge on current assets on paripassu basis with other banks in consortium	Existing pari-passu charge on the land & Building, Plant & Machinery with other members of the consortium
IDBI Bank	80.00	78.43	BPLR+0.5%	These loans are repayable	First paripassu charge on all	First paripassu charge on all the

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
				on demand	chargeable current assets of the company along with other consortium banks.	collateral assets of the company/guarantors mortgaged/charged to consortium banks
DENA Bank	50.00	48.00	Bank prime Lending Rate(BPLR)	These loans are repayable on demand	First paripassu charge on stock of Raw Material, semi finished goods, finished goods, work in progress, stores and spares, packing materials used for construction activities and receivables	
Allahabad Bank	50.00	240.21	Bank prime Lending Rate(BPLR)	These loans are repayable on demand	1)First charge on current assets of the company ranking paripassu with other consortium banks.	1)Immovable properties mentioned as detailed in sanction letter 2) Hypothecation of Plant & Machinery of the company ,ranking paripassu with other banks in consortium.
Corporation Bank	45.00	44.90	COBAR	These loans are repayable on demand	Pari-passu charge on the entire stocks and book debts of the company along with other consortium members.	
State Bank of Indore	86.00	87.15	BPLR of State Bank of India	These loans are repayable on demand	First paripassu charge on the entire current assets of the company.	1) Equitable mortgage of the properties worth 20.3 crores owned by the company at various places on paripassu basis along with the consortium member banks. 2) Plant &

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
						Machinery worth 40.50 Millions.
Lakshmi Vilas Bank	100.00	100.55	BPLR-2.50%	These loans are repayable on demand	1)First paripassu charge on current assets of the company with other working capital financing banks under consortium banks agreement. 2) Cover period for book debts; 180 Days.	
Bank of Maharashtra	50.00	50.23	Bank prime Lending Rate(BPLR)	These loans are repayable on demand	Hypothecation of stock and receivables on pari-passu basis with other consortium banks.	
AXIS Bank	263.00	112.66	BPLR-3.25%	These loans are repayable on demand	First pari-passu charge on the entire current assets of the company along with the working capital financing consortium banks.	First pari-passu charge on the plant & machinery and immovable properties of the company along with the other members of working capital consortium banks.
Indus Ind Bank		-8.17				
TOTAL		**1756.34**				

c) Vehicle and Equipment Loans

(Rs. in Million)

Name of the Bank	Total Loan Amount	Amount Outstanding	Rate of Interest	No of Instalments	Repayment terms	Securities offered
ICICI Bank	16.41	8.42	10.7%	36/60	Equated monthly instalments	Hypothecation of vehicle
HDFC Bank	7.02	5.92	12.33%	36	Equated monthly instalments	Hypothecation of vehicle
Centurion Bank	1.50	0.07	10.63%	35	Equated monthly	Hypothecation of vehicle

					instalments	
TOTAL		**14.41**				

Annexure - 9: Details of Unsecured Loans as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
Short Term Loan					
a) From Banks	1425.66	236.33	69.14	215.69	238.77
b) From Others	123.02	242.50	212.57	115.58	245.68
Lease Deposits	0.03	0.08	0.08	0.08	0.08
Inter Corporate Loans	-	-	50.00	50.00	-
Total Unsecured Loans as restated	**1,548.71**	**478.91**	**331.79**	**381.35**	**484.53**

DETAILS OF UNSECURED LOANS OUTSTANDING AS AT SEPTEMBER 30, 2009

a) Short Term Loans

(Rs. in Million)

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
State bank of Hyderabad	175.00	50.77	10%	These loans are repayable on demand.	Bills under credit s will be accompanied by documents of title to goods BL/RRs/MTRs/ AW made out/endorsed in favour of the bank for the purchase of raw materials/stores. MTRs to be of approved transport companies only and to be insured against prescribed risks. In the case of un usance bills, documents may be delivered against acceptance. 2) Application – cum- indemnity from the borrower in respect of every LC. 3) Charge over current assets to cover the LC Limits.	
State Bank of Indore	240.00	10.89	5% by way of cash/TDR		1) Documents of titles to goods endorsed in favour of the bank. MTRs to be of approved transport companies only and to be insured against prescribed risks. 2) Hypothecation over the goods	1) Equitable mortgage of the properties worth 20.3 crores owned by the company at various places on pari-passu basis along with the consortium member banks. 2) Plant & Machinery worth 40.50 Millions.

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
					procured under LC. 3) Extension of charge over the current assets of the company. 4) Application cum indemnity letter in respect of every LC.	
DENA Bank	220.00	71.75	5% by way of cash/FDR		Shipping documents accompanied by bill of landing/Airway bills, Railway Receipts/Motor Receipts of approved transport operators covering the consignment of raw materials and other goods imported or purchased locally to be delivered to the borrower against acceptance.	
UCO Bank	390.00	252.82	5% at the time of issue of the LC/FLC by way of cash / FDR.		Extension of first charge on the current assets of the company.	Existing pari-passu charge on the land & Building, Plant & Machinery with other members of the consortium
State bank of India	30.00	17.26	10%		First pari-passu charge on the current assets of the company along with other WC consortium banks	1)First pari-passu charge on P&M of Telecom Division at Cherlapally and Towers Division at Nagaram 2)EM(Paripassu charge) of land & Buildings of the company 3)2nd paripassu charge on Fixed assets of the

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
						company. 4)EM of properties belonging to guarantors
AXIS Bank	634.10	255.34	5% to be collected upfront and kept in TDR in Bank's Lien noted thereon	Repayable on Demand	Counter indemnity of the company and security as applicable to cash credits	
Lakshmi Vilas Bank	180.00	160.47	5%	Repayable on demand	First pari-passu charge on current assets of the company with other working capital financing banks under Consortium Banking arrangement.	
IDBI Bank Limited	500.00	135.86	10%	Repayable on demand	First paripassu charge on all chargeable current assets of the company along with other consortium banks.	First paripassu charge on all the collateral assets of the company/guarantors mortgaged/charged to consortium banks
Syndicate Bank	500.00	306.17	5%	Repayable on demand	Extension of paripassu charge on current assets	
Corporation Bank	150.00	147.58	10%	Repayable on demand	Security of pari-passu charge on stocks and book debts of the company	
Bank of Baroda	40.00	16.74	10%	Repayable on Demand	Application cum indemnity from the borrower in respect of every LC charge over current assets to cover the limits	

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
Global trade finance limited	250.00	102.24	Discount – 10.5%		Against approved debtors.	
Canbank factors LTD.	150.00	20.79	1)Margin-20% 2)Rate of Discount -13%		Personal guarantees of 1)Mr.Ramarao Paturu 2)Mr.Sumanth Paturu	
Lease Deposits	NA	0.03	NA			
TOTAL		**1,548.71**				

Annexure - 10: Details of Share Capital as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
Authorised					
48,000,000 Equity Shares of Rs.10 each (As on 30.06.2008: 38,000,000 Equity Shares, As on 30.06.2007: 30,000,000 Equity Shares, As on 30.06.2006: 30,000,000 Equity Shares, As on 30.06.2005: 30,000,000 Equity Shares)	480.00	380.00	300.00	300.00	300.00
100 (As on 30.06.2008: 100) Investor Equity Shares of Rs 10 each with differential voting rights, [Rs.1,000]	0.00	0.00	-	-	-
7,000,000 (As on 30.06.2008: 7,000,000) Series "A" Convertible Cumulative Participatory Preference Shares of Rs.10 each	70.00	70.00	-	-	-
	550.00	**450.00**	**300.00**	**300.00**	**300.00**
Issued, Subscribed and Paid up					
35,750,000 Equity Shares of Rs.10 each fully paid up	357.50	357.50	217.50	217.50	217.50
(As on 30.06.2008: 35,750,000 Equity Shares, As on 30.06.2007: 21,750,000 Equity Shares, As on 30.06.2006: 21,750,000 Equity Shares, As on 30.06.2005: 21,750,000 Equity Shares)					
(Of the above: 16,212,720 (30.06.2008: 16,212,720) equity shares of Rs.10 each were allotted as fully paid bonus shares by capitalisation of Rs.162.13 Million (30.06.2008: Rs.162.13 Million) from Profit and Loss Account)					
100 (30.06.2008: 100), Investor Equity Shares of Rs 10 each with differential voting rights fully paid up [Rs.1,000]	0.00	0.00	-	-	-
7,000,000 (30.06.2008: 7,000,000) Series "A" Convertible Cumulative Participatory Preference Shares of Rs.10 each fully paid up	70.00	70.00	-	-	-
Total	**427.50**	**427.50**	**217.50**	**217.50**	**217.50**

Annexure - 11: Details of Reserves and Surplus as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30			
		2008	2007	2006	2005
SECURITIES PREMIUM ACCOUNT					
As per last Balance Sheet	921.78	296.16	296.16	296.16	296.16
Add: Premium on Investor Equity Shares of Rs 10 each with differential voting rights	-	0.02	-	-	-
Add: Premium on Series "A" Convertible Cumulative Participatory Preference Shares	-	630.00	-	-	-
Less: Share Issue expenses	-	4.40	-	-	-
	921.78	**921.78**	**296.16**	**296.16**	**296.16**
STATE SUBSIDY					
As per last Balance Sheet	-	-	1.50	1.50	1.50
Less: Amount transferred to Sterlite Telecom Limited	-	-	(1.50)	-	-
	-	**-**	**-**	**1.50**	**1.50**
GENERAL RESERVE					
As per last Balance Sheet	300.00	-	-	-	-
Add: Transferred from Profit and Loss account	-	300.00	-	-	-
	300.00	**300.00**	**-**	**-**	**-**
SUBSIDY RECEIVED FROM INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY (IREDA)					
As per last Balance Sheet	0.71	1.13	1.55	1.97	2.39
Less: Transferred to Profit and Loss Account	0.39	0.42	0.42	0.42	0.42
	0.32	**0.71**	**1.13**	**1.55**	**1.97**
REVALUATION RESERVE					
As per last Balance Sheet	**84.28**	**84.28**	**84.28**	**84.28**	**84.28**
Profit and Loss Account - Balance as restated	**1,114.27**	**855.21**	**565.77**	**280.21**	**117.47**
Restated Reserves and Surplus	**2,420.65**	**2,161.98**	**947.34**	**663.7**	**501.38**

Annexure - 12: Summary of Accounting Ratios as restated

Particulars	15 months period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
Earnings per Share (in Rs.)					
Basic	7.25	33.64	13.13	7.48	9.82
Diluted	6.80	32.77	13.13	7.48	9.82
Net Asset value per share (in Rs.)	64.65	58.60	49.67	36.59	29.05
Net Asset value per share [Excluding preference share capital] (in Rs.)	75.35	68.11	49.67	36.59	29.05
Return on Net Worth (%)	9.41%	30.19%	26.43%	20.45%	33.81%
Return on Net Worth (%) [Excluding preference share capital]	9.66%	31.06%	26.43%	20.45%	33.81%
Weighted average number of equity shares outstanding during the period used for computing basic Earnings per Share	35,750,100	22,438,561	21,750,000	21,750,000	21,750,000
Weighted average number of equity shares outstanding during the period used for computing Diluting Earnings per Share	38,242,972	23,071,987	21,750,000	21,750,000	21,750,000
Number of Shares Outstanding at the end of the period/Year	42,750,100	42,750,100	21,750,000	21,750,000	21,750,000

1 **The ratios have been computed as below:**

Basic and Diluted Earnings per share (in Rs.) = Net Profit After Tax - Restated
--
Weighted average number of equity shares outstanding during the period/year

Net Asset Value per Share (in Rs.) = Net Worth - Restated
--
Total number of equity shares outstanding at the end of the period/year

Return on Net Worth (%) = Net profit after Tax - Restated
--
Net worth - Restated at the end of the period/year

2 **Net profit- Restated as appearing in the "Standalone Restated Summary of Profit and Loss" has been considered for the purpose of computing the above ratios.**

3 **Earnings Per Share calculation are done in accordance with Accounting Standard 20 on Earnings Per Share.**

4 **Net Worth means Equity Share Capital + Preference Share Capital + Reserves and Surplus as appearing in "Standalone Restated Summary of Assets & Liabilities ".**

Annexure -13: Statement of Capitalisation Statement as restated

(Rs. in Million)

Particulars	**Pre-issue as at September 30, 2009**	**Post Issue**
Borrowing		**Refer Note 3 below**
Short Term Debt	3,354.09	
Long Term Debt **(A)**	997.18	
Total Debts	**4,351.27**	
Share Holders' Funds		
Equity Share Capital	357.50	
Preference Share Capital	70.00	
Securities Premium	921.78	
Reserves and Surplus (excluding revaluation reserve)	1,414.59	
Less: Miscellaneous expenses not written off	0.07	
Total Share Holders' Funds (B)	**2,763.80**	
Total Capitalization	**7,115.07**	
Long term Debt / Equity Share Holders' Funds [(A) / (B)]	**0.36 : 1**	

Notes:

1. The above has been completed based on restated summary statements

2. Short term debts are debts due within next one year

3. Statement for the post issue period will be made on the conclusion of the book building process

Annexure-14 : Statement of Tax Shelter as restated

(Rs. in Million)

Particulars	15 Months Period ended September 30, 2009	For the year ended June 30			
		2008	2007	2006	2005
Profit Before Tax as per Summary Statement of Profit & Loss as restated	**379.09**	**1,249.04**	**422.30**	**188.87**	**215.59**
Normal tax rates	33.99%	33.99%	33.99%	33.66%	33.66%
Notional tax at Normal rates (A)	**128.85**	**424.55**	**143.54**	**63.57**	**72.57**
Brought Forward Losses	-	-	-	-	(160.95)
Permanent Differences	-	79.63	(27.07)	(50.10)	8.35
Total (B)	**-**	**79.63**	**(27.07)**	**(50.10)**	**(152.60)**
Timing Differences	14.28	50.48	72.04	39.65	104.32
Difference between tax depreciation and book depreciation	(0.07)	-	0.02	0.06	1.00
Other Adjustments	(2.96)	7.91	25.19	11.30	1.88
Total (C)	**11.25**	**58.39**	**97.25**	**51.01**	**107.20**
Net Adjustments (B + C)	**11.25**	**138.02**	**70.18**	**0.91**	**(45.40)**
Tax expense / (savings) thereon (D)	**3.82**	**46.91**	**23.85**	**0.31**	**(15.28)**
Total Taxation (E = A + D)	**132.68**	**471.46**	**167.39**	**63.88**	**57.29**
Deferred Tax	(15.90)	17.16	(20.28)	(7.19)	(13.83)
Fringe Benefit Tax	2.22	4.20	4.11	2.35	0.35
Tax as per Provisional computation	**119.00**	**492.82**	**151.22**	**59.04**	**43.81**

Annexure 15: Details of Dividends

(Rs. in Million)

	Class of Shares	15 Months period ended September 30, 2009	For the Year ended June 30, 2008
I	Equity Share of Rs. 10 each fully paid	35,750,100	21,750,100
	Dividend Rate (%)	-	65
	Dividend (in Rs.)	-	141.38
	Tax on Dividend (in Rs.)	-	24.03
II	Convertible Cumulative Participatory Preference Share of 10 each fully paid	7,000,000	7,000,000
	Dividend Rate (%)	13	17
	Dividend (in Rs.)	0.88	1.17
	Tax on Dividend (in Rs.)	0.15	0.20

Annexure - 16: Consolidated Restated Summary of Assets and Liabilities

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
A. Fixed Assets		
Gross Block	1,608.59	1,272.84
Less: Accumulated Depreciation/Amortisation	495.55	393.08
Net Block	1,113.04	879.76
Less: Revaluation Reserve	84.28	84.28
Net Block After Adjustment of Revaluation Reserve	1,028.76	795.48
Capital Work-in-Progress	72.50	74.85
Total	**1,101.26**	**870.33**
B. Investments	**-**	**-**
C. Deferred Tax Asset (Net)	**99.70**	**83.80**
D. Current Assets, Loans and Advances		
Inventories	1,042.54	691.09
Sundry Debtors	6,334.14	6,181.73
Cash and Bank balances	653.11	389.37
Other Current Assets	431.54	142.07
Loans and Advances	2,765.05	2,039.74
Total	**11,226.38**	**9,444.00**
E. Total Assets (A + B + C + D)	**12,427.34**	**10,398.13**
F. Liabilities and Provisions		
Secured Loans	2,804.65	1,701.82
Unsecured Loans	1,548.71	478.91
Total	**4,353.36**	**2,180.73**
G. Current Liabilities and Provisions		
Current Liabilities	4,695.88	5,040.18
Provisions	630.3	672.96
Total	**5,326.18**	**5,713.14**
H. Total Liabilities and Provisions (F + G)	**9,679.54**	**7,893.87**
I. Net Worth (E - H)	**2,747.80**	**2,504.26**

Annexure - 16: Consolidated Restated Summary of Assets and Liabilities (continued)

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
Represented by		
Shareholders' Fund		
Equity Share Capital	357.5	357.5
Convertible Cumulative Participatory Preference Shares	70	70
Reserves and Surplus	2,411.87	2,161.23
Less: Revaluation Reserve	84.28	84.28
Reserves and Surplus (net of Revaluation Reserve)	**2,327.59**	**2,076.95**
Less: Miscellaneous expenditure not written off	7.29	0.19
Net Worth	**2,747.80**	**2,504.26**

Annexure -17: Consolidated Restated Summary of Profit and Loss

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
INCOME		
Sales		
Sale of Manufactured Goods	3,148.53	6,103.85
Trade Sales	146.42	55.17
Contract and Service Income	5,745.84	4,497.07
Total Sales	**9,040.79**	**10,656.09**
Other Income	92.68	52.50
Total Income	**9,133.47**	**10,708.59**
Expenditure		
(Increase)/Decrease in Finished Goods and Work in Process	(327.05)	147.05
Raw Material Consumed	5,835.12	7,167.97
Manufacturing and Other expenses	1,873.31	1,451.91
Payments and Benefits to Employees	406.59	219.39
Total Expenditure	**7,787.97**	**8,986.32**
Profit Before Interest, Depreciation and Tax	**1,345.50**	**1,722.27**
Interest and Finance Cost	863.11	407.20
Profit Before Depreciation and Tax	**482.39**	**1,315.07**
Depreciation/ Amortisation	108.64	55.54
Profit Before Tax and restatement	**373.75**	**1,259.53**
Adjustments on account of restatement (Refer Annexure 19 (B) (4))		
Depreciation	(0.21)	(0.17)
Others	(2.96)	(11.83)
Profit before Tax and after Restatement	**370.58**	**1,247.53**
Tax expense	**112.37**	**490.19**
Effect on Tax due to Restatement (Refer Annexure 19 (B) (4))	(1.08)	(4.08)
Restatements relating to Tax expense	7.82	6.71
Tax expense Restated	**119.11**	**492.82**

Annexure -17: Consolidated Restated Summary of Profit and Loss (continued)

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
Profit After Tax and Restatement	**251.47**	**754.71**
Balance brought forward from Previous Year as restated	**853.70**	**565.77**
Profits available for appropriation	**1,105.17**	**1,320.48**
Appropriations		
Towards Dividend	0.88	142.55
Towards Tax on Dividend	0.15	24.23
Transferred to General Reserve	-	300.00
Total Appropriations	**1.03**	**466.78**
Balance carried to Balance Sheet	**1,104.14**	**853.70**

Annexure – 18: Consolidated Cash Flow Statement as restated

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
A. Cash flow from Operating Activities :		
Net Profit Before Tax as restated	370.58	1,247.53
Adjustments for :		
Non Cash and Non Operating Items	1,021.74	501.61
Operating Cash flow before Working Capital changes	**1,392.32**	**1,749.14**
Adjustments for:		
Trade and Other Receivables	(1,185.06)	(4,310.38)
Inventories	(351.45)	43.13
Trade Payables and Other Liabilities	(426.31)	1,815.24
Cash used in Operations	**(570.50)**	**(702.87)**
Direct Taxes Paid	(155.15)	(44.45)
Net Cash used in Operating activities	**(725.65)**	**(747.32)**
B. Cash flow from Investing Activities :		
Capital expenditure including advances paid for Purchase of assets	(340.14)	(237.78)
Sale of Fixed Assets	0.22	1.73
Preliminary and Pre-operative expenses incurred during the period	(7.19)	-
Net Cash used in Investing activities	**(347.11)**	**(236.05)**

Annexure – 18: Consolidated Cash Flow Statement as restated (continued)

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
C. Cash flow from Financing Activities :		
Interest and Financing charges paid	(827.76)	(407.20)
Interest received on deposits with banks and other deposits	26.43	20.46
Proceeds from Issue of Share Capital	-	210.00
Share premium received	-	625.62
Dividend paid	-	(142.55)
Loans from bank (Net)	1,953.84	104.71
Other Loans taken / (repaid)	184.78	699.93
Hire Purchase Loan taken / (repaid)	(1.33)	1.15
Net Cash from Financing activities	**1,335.96**	**1,112.12**
Net Increase in Cash and Cash equivalents (A+B+C)	**263.20**	**128.75**
Cash and Cash equivalents at the beginning of the period / year	**389.37**	**260.62**
Exchange difference on translation of foreign currency Cash and Cash equivalents	0.54	-
Cash and Cash equivalents as at end of the period / year	**653.11**	**389.37**

Annexure – 19

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, Accounting Standards issued by Companies (Accounting Standards) Rules, 2006, and provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

2. Use of Accounting Estimates

The preparation of Financial Statements in conformity with Accounting Standards requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of Financial Statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known and materialized.

3. Revenue Recognition (AS-9)

Sales comprise of sale of products and services. The sale value is inclusive of excise duty less discounts, but is exclusive of sales tax / VAT and service tax. The principles of revenue recognition are given below:

a) Sale of goods is recognised on completion of supplies as per set / completed tower basis and upon raising commercial invoice and upon transfer of title / shipment of the products and on transfer of significant risk and reward of ownership.

b) In case of turnkey project contracts, revenue from fixed price and / or work contracts are recognised under the percentage completion of the contract by reference to the proportion of the contract cost incurred for work performed up to the reporting date bears to the total estimated contract cost. Additional claims including escalation are recognised as contract revenue in the year in which the claims are admitted. Future expected loss, if any, is recognised as expenditure. Warranty period expenditure, if any, is accounted as and when incurred.

c) Export sales are accounted at the exchange rate prevailing on the date of invoice and exchange variation on realization is accounted in the year of receipt of sale proceeds. Export incentive under the duty drawback scheme is recognized on receipt basis and on fulfilment of obligation.

d) Income from lease of fixed assets is recognized in accordance with the terms of lease agreement.

e) Interest is recognized on time proportion basis.

f) Scrap sale is accounted on actual clearance.

4. Fixed Assets (AS-10)

All fixed assets are stated at cost of acquisition less accumulated depreciation/amortisation thereon except for land, which are either stated at cost or revalued amounts. Cost includes duties and any directly attributable cost to bring the assets to the working condition for its intended use.

5. **Depreciation (AS-6)**

Depreciation is provided on straight line basis on the assets existing prior to December 16, 1993 at the rates prevailing till that period and on additions made on or after the said date, at the revised rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except for the following assets in respect of one subsidiary.

Description	Rate
Furniture & Fixtures	20%
Office Equipments	20%
Computers	25%
Tools	25%

Depreciation on assets given on lease is amortised over the period of Lease.

6. **Investments (AS-13)**

a) Long term investments are valued at cost, less provision for permanent diminution, if any, in the value of such investments.

b) Current investments are valued at lower of cost and fair value.

7. **Inventories (AS-2)**

Inventories are valued as under:

a) Raw materials including components are valued at cost. Cost excludes refundable duties & taxes.

b) Work-in-process are valued at cost. In-respect of turnkey contracts, work-in-process are valued at the contract rates less estimated profit margins or net realisable value.

c) Finished goods are valued at lower of cost or net realisable value.

8. **Intangible Assets (AS-26) - Research and Development**

Revenue expenditure including overheads on Research and Development is expensed through the natural heads of account in the year in which incurred / accrued. Capital expenditure is included under fixed assets and depreciation is provided on such assets in the manner stated in policy 5 above.

9. **Borrowing Costs (AS-16)**

Borrowing Costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

10. Impairment of Assets (AS-28)

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

11. Foreign Currency Transactions (AS-11)

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.

b) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

c) The difference in translation of monetary assets and liabilities and realised gains and losses arising on account of foreign exchange transactions are recognised in Profit & Loss account.

12. Employee Benefits (AS-15)

The estimated liability for employee benefits for present and past services which are due as per the terms of employment are determined in accordance with the requirements of Accounting Standard (AS) 15 "Employee Benefits" issued by the Companies (Accounting Standards) Rules, 2006. A brief description of the employee benefits are as follows:

a) Gratuity – The Company has an obligation towards gratuity, a defined retiring plan covering all eligible employees. The plan provides for lump sum payment in accordance with the Payment of Gratuity Act, 1972 to vested employees on retirement, death while in employment or on separation. Vesting occurs on completion of five years of service. The liability is determined and charged to profit and loss account on the basis of valuation by independent actuary.

b) Provident Fund – This is a defined contribution plan of the Government of India under which both the employer and employee contribute monthly at a pre-determined rate (currently up to 12% of employee salary) and the Company has no further obligation.

c) Compensated Absences - This is a long term liability which has been determined in accordance by means of an independent actuarial valuation.

13. **Taxation (AS-22)**

a) Current tax – Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

b) Deferred tax - Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that asset will be realized in future.

14. Government Grants (AS-12)

a) Government grants in the nature of Capital Investment Subsidy are treated as Capital Reserve.

b) Government grants in the nature of Revenue are taken credit to Profit and Loss Account over the period of grant.

15. Leases (AS-19)

The Company's significant leasing arrangements are in respect of operating leases for premises and equipments. The leasing arrangements range from 11 months to 5 years generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable and receivable are charged as rent or recognised as income, in the Profit and Loss Account.

16. Provisions and Contingencies (AS-29)

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that, there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

17. **Earnings Per Share (EPS): (AS-20)**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, Earnings Per Share notified by the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive.

B. NOTES TO ACCOUNTS

1. Criteria for preparation of Consolidated Accounts

a) Icomm Tele Limited has presented consolidated Financial Statements by consolidating its stand-alone financial statements with its Subsidiary Companies in accordance with Accounting Standard-21 Consolidated Financial Statements.

b) The Financial Statements of the subsidiaries have been prepared according to uniform accounting policies and in accordance with generally accepted accounting principles and accounting policies of the parent Company. The effects of inter-Company transactions between consolidated companies are eliminated in consolidation.

2. Disclosure of particulars regarding the subsidiaries considered in the consolidation for the periods of account:

Name of the Subsidiary	Country of Incorporation	Controlling Interest with Voting Power
a) Icomm International Lanka (Private) Limited	Sri Lanka	100%
b) Icomm Energy Limited	India	100%
c) Vasitva Ispat Limited	India	100%

3. Principles of consolidation:

The Consolidated Financial Statements relate to Icomm Tele Limited ("the Company") and its subsidiary Companies ("the Group"). The Consolidated Financial Statements have been prepared on the following basis:

a) The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – Consolidated Financial Statements.

b) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the parent Company.

4. Adjustments / Regroupings

Impact of Restatement:

Statement of adjustments to Audited Consolidated Profit and Loss account

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
Net Profit after tax as per Audited Financial Statements	**261.38**	**769.34**
Add/Less Adjustments for		
a) Depreciation relating to earlier years	(0.21)	(0.17)
b) Others		
i) Sales Tax of earlier years written off credited / (debited) to expenditure	3.73	(1.74)
ii) Excess provision/credit balances written back	(0.39)	(10.09)
iii) Prior Period Adjustments	(6.30)	-
Total Adjustments	**(3.17)**	**(12.00)**
Tax Effect on above	1.08	4.08
Income Tax of earlier year and refund	(7.82)	(6.71)
Total Adjustments (net of tax)	**(9.91)**	**(14.63)**
Restated Profit after tax	**251.47**	**754.71**

Adjustment of Depreciation Relating to Earlier Years

In the year 2001-02, the Company had imported plant and machinery on which the customs duty of Rs.3.10 Mn payable in terms of licence issued by Software Technology Parks of India, Hyderabad was not capitalized. And the same is capitalized and the depreciation is provided in restated financial statements.

Adjustment of Sales Tax of Earlier Years Written Off

Earlier year’s Sales tax written off has been restated in respective years in restated financial statements.

Adjustment of Excess Provision / Credit Balances Written Back

Excess Provision / Credit balances written back have been restated in respective years in the restated financial statements.

Adjustment for Taxes of Earlier Years

The Company recorded tax provisions in earlier years which crystallized on completion of assessments made by the income tax authorities. Difference was recorded as a credit or charge in the financial statements. Accordingly, the effect of these tax provisions has been adjusted to the period / year to which the tax related in the restated financial statements.

Statement of Adjustments to Audited Consolidated Assets and Liabilities

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
1) Reserves and Surplus	(202.83)	(192.93)
2) Current Liabilities	(1.48)	(4.64)
3) Provision	(0.41)	(7.15)
Total Liabilities	**(204.72)**	**(204.72)**
4) Fixed Assets	3.10	3.10
Less: Accumulated Depreciation	1.31	1.10
Net Block	1.79	2.00
5) Deferred Tax Asset	92.60	92.60
6) Sundry Debtors	(103.71)	(103.71)
7) Other Current Assets	(195.40)	(195.40)
8) Loans and Advances	-	(0.21)
Total Assets	**(204.72)**	**(204.72)**

5. **Contingent Liabilities:**

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
a) Liability towards irrevocable letters of credit established	631.01	1,563.34
b) Liability towards bank guarantee	5,661.58	2,380.48
c) Corporate guarantee given to Bank and Financial Institutions for financial assistance extended to Wholly Owned Subsidiary	30.02	30.02

6. **Claims against the Company not acknowledged as debts:**

a) Show cause notices received from Central Excise authorities towards levy of excise duty on income received from installation and commissioning of towers, for the period from January 2005 to March 2009, **Rs.48.99 Mn** (30-06-2008: Rs.104.57 Mn). The Company has submitted replies to the show cause notices challenging the department claims. The department is yet to commence its adjudication proceeding.

b) Commissioner of Customs, Mumbai and Hyderabad raised demand for customs duty and penalties for **Rs.300.07 Mn** (30-06-2008: Rs.300.07 Mn) and **Rs.15.97 Mn** (30-06-2008: Rs.15.97 Mn) respectively, on import of parts of Dense Wavelength Division Multiplexing (DWDM) equipment, rejecting the claim made by the Company for concessional rate of duty. The Company has contested the customs duty demand raised by Commissioner of Customs, Mumbai and Hyderabad and filed appeals before Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Mumbai and Bangalore, which are pending to be heard. Simultaneously the Company also approached the Mumbai Appellate Tribunal for stay of demand. While granting the stay, the Tribunal observed that, "We find prima facie force in the applicants (the Company) argument that Rule 2 (a) of the interpretative Rules is not required to be applied for claiming exemption which has to be extend to the goods in the form in which they are cleared as held in the case of SAB Electronics" and granted conditional stay subject to payment of **Rs.60 Mn,** the Company has approached the Hon'ble High Court of Mumbai for stay of demand. The Hon'ble High Court of Mumbai has granted the stay on demand raised by Commissioner of Customs, Mumbai subject to the payment of **Rs.30 Mn** as deposit. Based on the High Court order the Company has deposited **Rs.30 Mn** with the Commissioner of Customs, Mumbai in 2003-04. In-respect of **Rs.15.97 Mn** demand raised by Commissioner of Customs, Hyderabad; the Company has deposited **Rs.12.37 Mn** in 2006-07**.** The deposit amounts are shown under loans and advances.

c) Commissioner of Customs, Chennai raised demand towards customs duty, fine and penalties for **Rs.7.05 Mn** (30-06-2008: Rs. 7.05 Mn) on import of 12 Volt/7 AH VRLA Batteries, rejecting the Company's claim for duty exemption. The Company has contested the demands raised by Commissioner of Customs, Chennai and filed an appeal before Customs, Excise & Service Tax Appellate Tribunal(CESTAT), Chennai, which is pending to be heard.

7. Estimated amount of Contracts remaining to be executed on capital account, not provided for [net of advances **Rs.3.35 Mn** (30-06-2008: Rs.10.46 Mn) **Rs.34.65 Mn** (30-06-2008: Rs.55.41 Mn).

8. Managerial Remuneration:

a) Particulars of remuneration to Managing Director and Whole Time Directors

i. **Remuneration to Whole Time Directors:**

(Rs. in Million)

Particulars	**15 months period ended September 30, 2009**	**For the year ended June 30, 2008**
Salary and Allowances	2.50	5.20
Commission	-	2.50
Contribution to Provident & other funds	0.23	0.42
Other Benefits	0.02	0.03
Total	**2.75**	**8.15**

ii. **Remuneration to Managing Directors:**

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
Salary and Allowances	11.03	9.17
Commission	4.00	-
Contribution to Provident & other funds	0.73	0.42
Other Benefits	0.06	0.06
Total	**15.82**	**9.65**

Note:

1. The remuneration for the 15 months period ended September 30, 2009 include
   (a) Rs.3.18 Mn to a Managing Director who was appointed in the Board of Directors meeting with effect from March 30, 2009; and
   (b) Rs.0.51 Mn to a whole time director who was appointed in the Board of Directors meeting with effect from August 28, 2009;
   (c) The terms of appointment and the related remuneration are subject to the approval in the share holders meeting.

2. Commission payable to managing director is @ 1% of net profit subject to maximum of **Rs.5.00 Mn.**

3. Sitting fee to other directors **Rs.0.14 Mn** (30-06-2008: Rs.0.13 Mn)

9. Share Capital

a) At the Extra Ordinary General Meeting of the members of the Company held on February 06, 2008, the members of the Company had approved increase of authorised capital from Rs.300,000,000 divided into 30,000,000 Equity shares of Rs.10 each to Rs.450,001,000 divided into 38,000,000 Equity shares of Rs.10 each, 100 Investor Equity shares of Rs. 10 each with differential voting right and 7,000,000 Series "A" Convertible cumulative participatory preference Shares of Rs. 10 each. Further in the meeting, the members of the Company pursuant to the provisions of the Company pursuant to the provisions of sec 81 (IA) and other applicable provisions of the companies Act,1956 have given consent to the Board for allotment of 7,000,000 fully paid up Series "A" Convertible cumulative participatory preference Shares of Rs. 10 each at a premium of Rs. 90 each for a consideration of Rs.700,000,000 and 100 fully paid up Investor Equity shares of Rs. 10 each at a premium of Rs. 220 each for a consideration of Rs.23,000 to India Growth Fund, a unit scheme of Kotak SEAF India Fund.

b) At the Extra-ordinary General Meeting held on March 24, 2008, the members of the Company pursuant to the provisions of section 81 (IA) and other applicable provisions of the companies Act, 1956 have given consent to the Board for allotment of 14,000,000 warrants on preferential basis to Mr. Sumanth Paturu, the promoter director of the Company, which are eligible for conversion into equity shares of Rs.10 each, for a consideration of Rs.140,000,000. These warrants were converted on June 13, 2008 upon receipt of full consideration.

c) At the Annual General Meeting of the Members held on November 21, 2008, the members of the Company had approved increase in the authorized share capital from Rs. 380,000,000 divided into 38,000,000 Equity Shares of Rs.10 each to Rs. 480,000,000 divided into 48,000,000 Equity Shares of Rs. 10 each.

10. Loans and Advances includes

Other Advances aggregating to **Rs 69.75 Mn** (30-06-2008: Nil) outstanding for more than one year but less than two years and **Rs.0.09 Mn** (30-06-2008: Rs.5.59 Mn) is outstanding for more than two years are subject to confirmation and reconciliation. In the opinion of the Management, no provision is required to be made in the book of accounts and is good for recovery.

11. Fixed assets include

Gross Block **Rs.3.31 Mn** (30-06-2008: Rs.9.64 Mn) and Net Block **Rs. 0.66 Mn** (30-06-2008: Rs.1.55 Mn) relating to assets given on finance lease. These assets will be transferred to lessees on expiry of the lease period. Lease Deposit received **Rs.0.03 Mn** (30-06-2008: Rs.0.08 Mn) represent Security Deposit received from the Lessees, which will be adjusted against the residual value of these assets on such transfer in accordance with the lease agreements.

12. Revenue Subsidy of **Rs.4.19 Mn (**30-06-2008: Rs.4.19 Mn) received in earlier years from Indian Renewable Energy Development Agency Limited (IREDA), a Government of India Enterprise, in respect of water pumping systems has been credited to Reserves and Surplus and transferred to profit and loss account proportionately over the lease period. Transfer made from Reserves and Surplus to the Profit and Loss account during the year is **Rs.0.39 Mn** (30-06-2008: Rs.0.42 Mn).

13. Current tax has been provided based on the computation of income under Income Tax Act, 1961. For the purpose of making the provision, the Company has considered exemption under section 80IB of the Income Tax Act, 1961 in respect of profits earned in Telecom – Yanam division.

14. Pursuant to AS–22 on "Accounting for Taxes on Income" issued by the Companies (Accounting Standards) Rules, 2006, the Company has determined deferred tax liabilities and assets on timing differences. The major components of the net deferred tax asset and liabilities are given below:

(*Rs. in Million)*

Particulars	**Liability/ (Asset) as at September 30, 2009**	**Liability/ (Asset) as at June 30, 2008**
Deferred Tax Liability on timing difference due to:		
Depreciation	80.01	69.88
Allowances u/s 43B of Income Tax Act,1961	-	14.40
Total	**80.01**	***84.28***
Deferred Tax Asset on timing difference due to		
Disallowances u/s 43B of Income Tax Act,1961	(8.95)	(4.65)
Provision for doubtful debts and advances	(170.76)	(163.43)
Total	**(179.71)**	**(168.08)**
Net Deferred Tax (Asset) / Liability	**(99.70)**	**(83.80)**
Deferred tax credit/(debit) to Profit and Loss Account	**15.90**	***(17.16)***

15. Related Party Disclosure

15.1. List of related parties:

S. No	Particulars
A	**Key Management Personnel**
1)	Sri C.S. Rao - Managing Director (Till September 30, 2008)
2)	Sri Sumanth Paturu - Managing Director and Whole Time Director (From October 1, 2008)
3)	Sri S Mohanram - Managing Director (From April 1, 2009)
4)	Sri Trilochan Panda – Whole Time Director (From August 28, 2009)
5)	Dr. P.Kavita – Whole Time Director (From November 1, 2008)
B	**Relatives of Key Management Personnel**
1)	Sri Rama Rao Paturu
C	**Enterprise owned or significantly influenced by Key Management Personnel or their relatives**
1)	Isitva Steel Limited
2)	Icomm Limited
3)	ARM Celcom Limited
4)	Incap Limited
5)	Isitva Fasteners Private Limited
6)	ARM Telecom Services Limited
7)	Infocentre (Private) Limited
8)	Isitva Ventures Private Limited (Formerly known as PSR Builders & Developers (Private) Ltd)

15.2 Disclosure of transactions and balances between the Company and related parties and the status of outstanding balances as on September 30, 2009 and June 30, 2008.

Transactions with Related parties ***(Rs. in Million)***

Transaction	15 months period ended September 30, 2009	For the year ended June 30, 2008
Purchases / Services		
Isitva Steel Limited	1,141.83	813.10
Isitva Fasteners Private Limited	102.10	103.81
Isitva Ventures (P) Limited	15.94	-
Sale of Goods		
Isitva Steel Limited	92.64	0.95
Isitva Fasteners Private Limited	27.10	13.68

Transaction	15 months period ended September 30, 2009	For the year ended June 30, 2008
Reimbursement of Expenses		
Isitva Steel Limited	860.92	636.72
Isitva Fasteners Private Limited	97.34	54.81
Isitva Ventures Pvt. Ltd.,(PSR)	10.15	(0.37)
Infocentre Pvt.Ltd.		
	0.12	-
Rent Paid		
Info centre Pvt.Ltd.	0.36	0.40
Isitva Steel Limited	0.15	0.11
Rent Received		
Isitva Steel Limited	5.00	3.90
Isitva Fasteners Private Limited	2.13	1.30
Remuneration Paid		
Mr. Sumanth Paturu		
As Whole Time Director	1.64	8.15
As Managing Director	10.22	-
Mr. C.S.Rao		
As Managing Director	2.42	9.65
Mr. S.Mohanram		
As Managing Director	3.18	-
Mr. Trilochan Panda		
As Whole Time Director	0.51	-
Dr. P.Kavita		
As Whole Time Director	0.60	-

Balances with Related parties

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
Receivables		
ARM Telecom Services Ltd.,	0.01	0.01
Isitva Fasteners (P) Limited	55.60	31.12
Others	0.11	0.11
Payables		
Isitva Ventures (P) Limited	6.16	0.37
Info centre Pvt.Ltd.	0.56	-
Isitva Steel Limited	-	34.27

16. Earnings per Share ("EPS")

For Earnings per Share disclosure refer Annexure - 20.

17. Employee benefits as required under Accounting Standard 15:

The Company's liability on account of Employee benefits comprising Gratuity – a defined benefit scheme and compensated absences has been determined in accordance with the requirements of Accounting Standard (AS) – 15 notified by the Companies (Accounting Standards) Rules, 2006. Disclosures required in terms of the requirement of AS – 15.

(Rs. in Million)

Particulars	**15 months period ended September 30, 2009**		**For the year ended June 30, 2008**	
	Gratuity	**Leave Encashment**	**Gratuity**	**Leave Encashment**
Present Value of DBO at the beginning of the year	11.95	1.74	8.67	1.67
Current Service Cost	2.29	1.52	1.07	0.01
Interest Cost	1.22	0.17	0.70	0.13
Actuarial Losses /(Gains)	8.99	0.62	1.51	(0.07)
Benefits paid	(1.01)	(1.10)	-	-
Present Value of DBO at the end of the period	**23.44**	**2.95**	**11.95**	**1.74**
Expense recognized in the Statement of P/L	**12.50**	**2.32**	**3.28**	**0.07**
Actual Benefit Payments	1.01	1.10	-	-
Assumptions:				
Discount Rate%	8.10	8.10	8.10	8.10
Salary Escalation Rate%	7.00	7.00	7.00	7.00

18. Disclosure pursuant to Accounting Standard – 7 "Construction Contracts"

(Rs. in Million)

Sl. No.	**Particulars**	**15 months period ended September 30, 2009**	**For the year ended June 30, 2008**
1)	Amount of contract revenue recognized as revenue in the period	4,901.73	*4,366.30*
2)	Aggregate amount of costs incurred and recognized profits (less recognized losses) up to the reporting date	4,898.79	*3,554.69*
3)	Amount of advances received	2,141.21	*414.59*
4)	Amount of retention	1,614.95	*588.29*

19. Details as per the requirements of provisions under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED]

(*Rs. in Million)*

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
a) The Principal amount remaining unpaid at the end of the year	34.92	0.64
b) Interest due on the above	0.02	0.03
c) The amount of interest paid by the buyer along with amount of the payment made to the suppliers beyond the appointed date	-	-
d) The Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under the Act.	-	-

20. Auditors' Remuneration:

(Rs. in Million)

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
Towards Audit Fees	3.04*	2.85
Tax Audit Fees	0.30*	0.22
Out of Pocket Expenses	0.04	0.04
Total	3.38	3.11

(* The figures are exclusive of Service tax.)

21. Segment Reporting as per Accounting Standard 17:

Business Segment

The Company comprises the following main business segments:

i. EPC Power

ii. EPC Infrastructure for Power & Telecom

iii. EPC Telecom

iv. EPC Water & Waste Water

v. Communications & Technology

vi. Renewable & Others

(Rs. in Million)

Particulars	EPC Power	EPC Infrastructure for Power & Telecom	EPC Telecom	EPC Water & Waste Water	Communication & Technology	Renewable & Others	Eliminations	TOTAL
REVENUE								
External Net Sales	**4,652.93**	**2,917.83**	**849.59**	**131.50**	**395.04**	**93.90**		**9,040.79**
	4,006.06	*4,352.93*	*474.48*	-	*1,778.77*	*43.85*		*10,656.09*
Inter Segment Sales	-	**460.62**	-	-	**20.85**	-	(481.47)	
	-	*359.41*	-	-	*46.55*		*(405.96)*	
Total Revenue	**4,652.93**	**3,378.45**	**849.59**	**131.50**	**415.89**	**93.90**	**(481.47)**	**9,040.79**
	4,006.06	*4,712.34*	*474.48*	-	*1,825.32*	*43.85*	*(405.96)*	*10,656.09*
RESULT								
Segment Result	**1,354.62**	**(87.82)**	**205.60**	**32.53**	**(152.41)**	**(181.67)**	**-**	**1,170.83**
	1,130.99	*352.18*	*91.57*	-	*60.16*	*(6.32)*	-	*1,628.58*
Operating profit								**1,170.84**
								1,628.58
Interest expense								**(863.11)**
								(407.20)
Interest Income								**62.86**
								26.15
Profit before Tax								**370.58**
								1,247.53
Tax expense and Fringe Benefit Tax								**(119.11)**
								(492.82)
Net Profit after Tax								**251.47**
								754.71
OTHER INFORMATION								
Segment Assets	**5,456.18**	**3,471.90**	**826.85**	**134.40**	**1,482.76**	**1,055.25**		**12,427.34**
	3,596.17	*3,605.57*	*579.26*	-	*1,907.29*	*709.84*		*10,398.13*
Segment Liabilities	**3,124.56**	**2,201.54**	**533.53**	**93.61**	**746.65**	**2,979.65**		**9,679.54**
	2310.60	*1,697.10*	*396.26*		*998.75*	*2,499.96*		*7,902.67*
Capital Expenditure	**62.16**	**154.74**	**3.90**	**0.42**	**7.00**	**111.94**		**340.16**
	1.62	*183.30*	*5.89*	-	*24.10*	*22.87*		*237.78*
Depreciation and Amortisation	**28.50**	**49.82**	**2.04**	**0.04**	**15.21**	**13.24**		**108.85**
	1.04	*32.93*	*0.33*	-	*14.76*	6.65		*55.71*
Non Cash Expenditure Other than Depreciation	**(12.44)**	**26.31**	**17.37**	**-**	**78.84**	**3.05**		**113.13**
	-	*0.43*	*0.65*	-	-	*0.01*		*1.09*

Notes to Segment Report:

a) Figures in bold relate to 15 months period ending September 30, 2009 and italics relate to year ending June 30, 2008.

b) Capital Expenditure, Depreciation and Amortisation, and Non Cash Expenditure other than Depreciation shown under the heading "Others" include corresponding expenses of Corporate Office.

c) The Company classifies and groups Telecommunications, Defence, R & D, and Yanam divisions into "Communications & Technology" for the purpose of Internal Reporting.

d) The Company classifies and groups TIS, O&M, CSD, and IBU-Telecom divisions into "EPC Telecom".

e) Towers, Conductors, Shelters, and Transformer divisions are classified and grouped under "EPC Infrastructure for Power & Telecom".

f) Transmission, Distribution and IBU-Power divisions are classified and grouped under "EPC Power". Water & Sewerage and Oil & Gas divisions are classified and grouped under "EPC Water & Waste Water". Solar and other remaining divisions are classified and grouped under "Renewable & Others".

Annexure -17a: Details of Consolidated Other Income as restated

(Rs. in Million)

Particulars	**15 months period ended September 30, 2009**	**For the year ended June 30, 2008**	**Nature of Income**	***Related to Business Income or Not***
Interest income	62.86	*26.15*	*Recurring*	Related
Rent on building and equipment	11.88	*8.89*	*Recurring*	Related
Provision no longer required written back	0.38	*10.09*	*Non - Recurring*	Non Related
Profit on sale of assets	-	*1.18*	*Non - Recurring*	Non Related
Subsidy from IREDA transferred from Capital Reserve	0.39	*0.42*	*Recurring*	Related
Miscellaneous receipts	10.87	*5.77*	*Non - Recurring*	Non Related
Prior Period adjustments	6.30	-	*Non - Recurring*	Non Related
Total	**92.68**	***52.50***		

Note: The Classification of the income into recurring and non-recurring is based on the current operations and business activity of the Company.

Annexure – 16a: Details of Consolidated Investments as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
LONG TERM INVESTMENTS - AT COST		
Optel Telecommunications Limited (Quoted)		
35,500 Shares of Rs.10 each - Fully paid (Market value Rs. Nil)	2.49	2.49
161,800 Shares of Rs.10 each - Partly paid (Market value Rs. Nil)	2.91	2.91
Isitva Steel Limited (Un Quoted)		
10 Shares of Rs.10 each *	-	-
ARM Celcom Limited (Un Quoted)		
100 Shares of Rs.10 each **	-	-
	5.40	**5.40**
Less: Provision for diminution in value of the investment	5.40	5.40
Total Investments as restated	**-**	**-**

* Investment in Isitva Steel Limited is Rs.100
** Investment in ARM Celcom Limited is Rs.1,000

Annexure – 16b: Details of Consolidated Sundry Debtors, Loans and Advances as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
Sundry Debtors (Unsecured)		
Outstanding for more than six months		
i. Considered good	2,117.16	654.79
ii. Considered Doubtful	229.94	192.12
Other Debts - Considered good	4,320.69	5,630.65
Total	**6,667.79**	**6,477.56**
Less: Provision for doubtful debts	229.94	192.12
Total	**6,437.85**	**6,285.44**
Adjustments	**(103.71)**	**(103.71)**
Total Sundry Debtors as restated	**6,334.14**	**6,181.73**
Loans and Advances		
Advance recoverable in cash or in kind for the value to be received	355.52	591.49
Advance - others	29.56	82.21
Balance with Customs, Central Excise and Sales Tax authorities	239.27	30.66
Advance to staff	14.24	12.49
Advance Income Tax and Tax Deducted at Source	27.55	60.18
Retention money receivable	2,125.65	1,279.17
Total	**2,791.79**	**2,056.20**
Considered Good	2,765.05	2,039.95
Considered Doubtful	26.74	16.25
Total	**2,791.79**	**2,056.20**
Less: Provision for doubtful advances	26.74	16.25
Total Loans and Advances	**2,765.05**	**2,039.95**
Adjustments	**-**	**(0.21)**
Total Loans and Advances restated	**2,765.05**	**2,039.74**

Annexure – 16c: Details of Consolidated Secured Loans as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
Term Loans		
From Bank	7.50	79.00
From others	988.96	720.00
Interest accrued and due on the above	35.35	-
	1,031.81	**799.00**
Cash Credits and Working Capital Loan from Banks	1,758.43	887.08
Vehicle and Equipment Loans	14.41	15.74
Total Secured Loans as restated	**2,804.65**	**1,701.82**

DETAILS OF CONSOLIDATED SECURED LOANS OUTSTANDING AS AT SEPTEMBER 30, 2009

a) Term Loans

(Rs. in Million)

Description	Amount Sanctioned	Amount Outstanding	Rate of Interest	Repayment Terms	Securities Offered
Infrastructure Development Finance Company Limited	500.00	405.15	3.5% over and above the PLR	Repayment to be made in 8 quarterly instalments commencing at the end of 12 months from the date of first disbursement of the loan	First pari-passu charge of all the company's movable and immovable properties, both present and future. * Exclusive pledge of shares held by the sponsor in demat form in the equity share capital of the borrower representing 26% of the total paid up equity share capital of the Company. The share to be pledge shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement including shareholders agreement/joint venture agreement/ financing arrangement with regard to pledge/transfer of the shares including transfer upon enforcement of the pledge.
L&T Infrastructure Finance Co Ltd	500.00	396.90	PLR Minus 0.75%	Repayment to be made in 50 equal monthly instalments after the end of moratorium period of 10 months from the date of first disbursement	* A first charge by way of hypothecation and mortgage in favour of the lender on all of the borrower's immoveable and moveable assets to be procured out of the facility. * A second pari-passu charge on all the moveable and immoveable assets of the borrower excluding the assets acquired out of the facility and those assets which are exclusively charged to IDFC and State Bank of Travancore. *Exclusive pledge of shares of the borrower held by the promoters, amounting to 26% of the entire shareholding of the borrower to be reduced to 10% upon perfection of security. * Exclusive 1st charge of the lender on the Debt service reserve account or the bank guarantee comprising 3 months of interest payment

Description	Amount Sanctioned	Amount Outstanding	Rate of Interest	Repayment Terms	Securities Offered
					and 3 months of principal repayments.
IL&FS Financial Services Ltd	220.00	222.26	16.25% p.a payable monthly in arrears.	Repayment is to be made in three equal instalments at the end of 24th month, 30th month and 36th months from the first date of disbursement	* Pledge/cross pledge of 35% state in the Company. This security rank pari-passu with the loan of Rs.580 million lent and advanced to PSR Builders and Developers Private Limited. * Irrevocable and unconditional personal guarantee of Mr. Sumanth Paturu. * Demand promissory note by the company. * Post dated cheques issued by the company for principal and interest
State Bank of Travancore	200.00	7.50	9.50% p.a (1.50% below BPLR) Minimum 9.50% p.a.	35 monthly instalment of Rs 5.5 Mn each after 3 months from first disbursement & final instalment of Rs 7.5 Mn.	First Charge on Fixed Assets of the company worth not less than Rs 20 Crs ; and Personal Guarantee of Mr Sumanth Paturu
TOTAL		**1031.81**			

b) Cash Credit and Working Capital Loans

(Rs. in Million)

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
Syndicate Bank	450.00	723.92	Banks Prime Lending Rate(BPLR)	These loans are repayable on demand	First pari-passu charge on current assets as per consortium arrangement	1)Plant & Machinery worth 40.5 millions 2)Companies' property worth 203millions
State Bank of Hyderabad	135.00	105.10	1% above SBHPLR p.a	These loans are repayable on demand	First paripassu charge on the current assets of the company along with other consortium member banks	Equitable Mortgage of immovable property on first paripassu basis along with the other consortium member banks
State Bank of India	100.00	100.66	2.5% above SBAR effective Rate	These loans are repayable on demand	First paripassu charge on the current assets of the company along with other WC consortium banks	1)First paripassu charge on P&M of Telecom Division at Cherlapally and Towers Division at Nagaram 2)EM(Paripassu charge) of land & Buildings of the company 3)2nd paripassu charge on Fixed assets of the company. 4)EM of properties belonging to guarantors
Bank Of Baroda	52.00	52.73	1.5% over BPLR	These loans are repayable on demand	First charge on Current assets of the company on paripassu basis along with the consortium banks	First paripassu charge on immovable properties and movable properties belonging to the company worth 591.1 millions.
UCO Bank	20.00	19.97	Bank prime Lending Rate(BPLR)	These loans are repayable on demand	First charge on current assets on paripassu basis with other banks in consortium	Existing pari-passu charge on the land & Building, Plant & Machinery with other members of the consortium
IDBI Bank	80.00	78.43	BPLR+0.5%	These loans are repayable	First paripassu charge on all	First paripassu charge on all the

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
				on demand	chargeable current assets of the company along with other consortium banks.	collateral assets of the company/guarantors mortgaged/charged to consortium banks
DENA Bank	50.00	48.00	Bank prime Lending Rate(BPLR)	These loans are repayable on demand	First paripassu charge on stock of Raw Material, semi finished goods, finished goods, work in progress, stores and spares, packing materials used for construction activities and receivables	
Allahabad Bank	50.00	240.21	Bank prime Lending Rate(BPLR)	These loans are repayable on demand	1) First charge on current assets of the company ranking paripassu with other consortium banks.	1) Immovable properties mentioned as detailed in sanction letter 2) Hypothecation of Plant & Machinery of the company ,ranking paripassu with other banks in consortium.
Corporation Bank	45.00	44.90	COBAR	These loans are repayable on demand	Pari-passu charge on the entire stocks and book debts of the company along with other consortium members.	
State Bank of Indore	86.00	87.15	BPLR of State Bank of India	These loans are repayable on demand	First paripassu charge on the entire current assets of the company.	1) Equitable mortgage of the properties worth 20.3 crores owned by the company at various places on paripassu basis along with the consortium member banks. 2) Plant &

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
						Machinery worth 40.50 Millions.
Lakshmi Vilas Bank	100.00	100.55	BPLR-2.50%	These loans are repayable on demand	1) First paripassu charge on current assets of the company with other working capital financing banks under consortium banks agreement. 2) Cover period for book debts;180 Days.	
Bank of Maharashtra	50.00	50.23	Bank prime Lending Rate(BPLR)	These loans are repayable on demand	Hypothecation of stock and receivables on pari-passu basis with other consortium banks.	
AXIS Bank	263.00	112.66	BPLR-3.25%	These loans are repayable on demand	First pari-passu charge on the entire current assets of the company along with the working capital financing consortium banks.	First pari-passu charge on the plant & machinery and immovable properties of the company along with the other members of working capital consortium banks.
Indus Ind Bank		-8.17				
Sampath Bank (Srilanka)	22.91*	2.09	AWPLR +2.5%	These loans are repayable on demand	Hypothecation of stock and book debts of the company.	
TOTAL		**1758.43**				

* Converted at the rate prevailing on the closing date.

c) Vehicle and Equipment Loans

(Rs. in Million)

Name of the Bank	Total Loan Amount	Amount Outstanding	Rate of Interest	No of Instalments	Repayment terms	Securities offered
ICICI Bank	16.41	8.42	10.7%	36/60	Equated monthly instalments	Hypothecation of vehicle
HDFC Bank	7.02	5.92	12.33%	36	Equated	Hypothecation of

					monthly instalments	vehicle
Centurion Bank	1.50	0.07	10.63%	35	Equated monthly instalments	Hypothecation of vehicle
TOTAL		**14.41**				

Annexure – 16d: Details of Consolidated Unsecured Loans as restated

(Rs. in Million)

Particulars	**As at September 30, 2009**	**As at June 30, 2008**
Short Term Loan		
a) From Banks	1,425.66	236.33
b) From Others	123.02	242.50
Lease Deposits	0.03	0.08
Total Unsecured Loans as restated	**1,548.71**	**478.91**

DETAILS OF CONSOLIDATED UNSECURED LOANS OUTSTANDING AS AT SEPTEMBER 30, 2009

a) Short Term Loans

(Rs. in Million)

Particulars	**Amount sanctioned**	**Amount outstanding**	**Rate of interest**	**Repayment terms**	**Securities offered**	
					Primary	**Collateral**
State bank of Hyderabad	175.00	50.77	10%	These loans are repayable on demand.	Bills under credit s will be accompanied by documents of title to goods BL/RRs/MTRs/ AW made out/endorsed in favour of the bank for the purchase of raw materials/stores. MTRs to be of approved transport companies only and to be insured against prescribed risks. In the case of un usance bills, documents may be delivered against acceptance. 2) Application – cum- indemnity from the borrower in respect of every LC. 3) Charge over current assets to cover the LC	

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
					Limits.	
State Bank of Indore	240.00	10.89	5% by way of cash/TDR		1) Documents of titles to goods endorsed in favour of the bank. MTRs to be of approved transport companies only and to be insured against prescribed risks. 2) Hypothecation over the goods procured under LC. 3) Extension of charge over the current assets of the company. 4) Application cum indemnity letter in respect of every LC.	1) Equitable mortgage of the properties worth 20.3 crores owned by the company at various places on pari-passu basis along with the consortium member banks. 2) Plant & Machinery worth 40.50 Millions.
DENA Bank	220.00	71.75	5% by way of cash/FDR		Shipping documents accompanied by bill of landing/Airway bills, Railway Receipts/Motor Receipts of approved transport operators covering the consignment of raw materials and other goods imported or purchased locally to be delivered to the borrower against acceptance.	
UCO Bank	390.00	252.82	5% at the time of issue of the LC/FLC		Extension of first charge on the current assets of the company.	Existing pari-passu charge on the land & Building, Plant & Machinery with

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
			by way of cash / FDR.			other members of the consortium
State bank of India	30.00	17.26	10%		First pari-passu charge on the current assets of the company along with other WC consortium banks	1)First pari-passu charge on P&M of Telecom Division at Cherlapally and Towers Division at Nagaram 2)EM(Paripassu charge) of land & Buildings of the company 3)2nd paripassu charge on Fixed assets of the company. 4)EM of properties belonging to guarantors
AXIS Bank	634.10	255.34	5% to be collected upfront and kept in TDR in Bank's Lien noted thereon	Repayable on Demand	Counter indemnity of the company and security as applicable to cash credits	
Lakshmi Vilas Bank	180.00	160.47	5%	Repayable on demand	First pari-passu charge on current assets of the company with other working capital financing banks under Consortium Banking arrangement.	
IDBI Bank Limited	500.00	135.86	10%	Repayable on demand	First paripassu charge on all chargeable current assets of the company along with other consortium banks.	First paripassu charge on all the collateral assets of the company/guarantors mortgaged/charged to consortium banks
Syndicate	500.00	306.17	5%	Repayable	Extension of	

Particulars	Amount sanctioned	Amount outstanding	Rate of interest	Repayment terms	Securities offered	
					Primary	Collateral
Bank				on demand	paripassu charge on current assets	
Corporation Bank	150.00	147.58	10%	Repayable on demand	Security of pari-passu charge on stocks and book debts of the company	
Bank of Baroda	40.00	16.74	10%	Repayable on Demand	Application cum indemnity from the borrower in respect of every LC charge over current assets to cover the limits	
Global trade finance limited	250.00	102.24	Discount – 10.5%		Against approved debtors.	
Canbank factors LTD.	150.00	20.79	1)Margin-20% 2)Rate of Discount -13%		Personal guarantees of 1)Mr.Ramarao Paturu 2)Mr.Sumanth Paturu	
Lease Deposits	NA	0.03	NA			
TOTAL		**1,548.71**				

Annexure – 16e: Details of Consolidated Share Capital as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
Authorised		
48,000,000 Equity Shares of Rs.10 each (As on 30.06.2008: 38,000,000 Equity Shares)	480.00	380.00
100 (As on 30.06.2008: 100) Investor Equity Shares of Rs 10 each with differential voting rights, [Rs.1,000]	0.00	0.00
7,000,000 (As on 30.06.2008: 7,000,000) Series "A" Convertible Cumulative Participatory Preference Shares of Rs.10 each	70.00	70.00
	550.00	**450.00**
Issued, Subscribed and Paid up		
35,750,000 Equity Shares of Rs.10 each fully paid up	357.50	357.50
(As on 30.06.2008: 35,750,000 Equity Shares)		
(Of the above: 16,212,720 (30.06.2008: 16,212,720) equity shares of Rs.10 each were allotted as fully paid bonus shares by capitalisation of Rs.162.13 Million (30.06.2008: Rs.162.13 Million) from Profit and Loss Account)		
100 (30.06.2008: 100), Investor Equity Shares of Rs 10 each with differential voting rights fully paid up [Rs.1,000]	0.00	0.00
7,000,000 (30.06.2008: 7,000,000) Series "A" Convertible Cumulative Participatory Preference Shares of Rs.10 each fully paid up	70.00	70.00
Total	**427.50**	**427.50**

Annexure – 16f: Details of Consolidated Reserves and Surplus as restated

(Rs. in Million)

Particulars	As at September 30, 2009	As at June 30, 2008
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	921.78	296.16
Add: Premium on Investor Equity Shares of Rs 10/- each with differential voting rights	-	0.02
Add: Premium on Series "A" Convertible Cumulative Participatory Preference Shares	-	630.00
Less: Share Issue expenses	-	4.40
	921.78	**921.78**
GENERAL RESERVE		
As per last Balance Sheet	300.00	-
Add: Transferred from Profit and Loss account	-	300.00
	300.00	**300.00**
SUBSIDY RECEIVED FROM INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY (IREDA)		
As per last Balance Sheet	0.71	1.13
Less: Transferred to Profit and Loss Account	0.39	0.42
	0.32	**0.71**
REVALUATION RESERVE		
As per last Balance Sheet	**84.28**	**84.28**
FOREIGN CURRENCY TRANSLATION RESERVE	**1.35**	**0.76**
PROFIT AND LOSS ACCOUNT - Balance as restated	**1,104.14**	**853.70**
Restated Reserves and Surplus	**2,411.87**	**2,161.23**

Annexure - 20: Summary of Accounting Ratios as restated

Particulars	15 months period ended September 30, 2009	For the year ended June 30, 2008
Earnings per Share (in Rs.)		
Basic	7.01	33.57
Diluted	6.54	32.64
Net Asset value per share (in Rs.)	**64.28**	**58.58**
Net Asset value per share (in Rs.) [excluding preference share capital]	**62.64**	**56.94**
Return on Net Worth (%)	9.15%	30.14%
Return on Net Worth (%) [excluding preference share capital]	9.39%	31.00%
Weighted average number of equity shares outstanding during the period used for computing basic Earnings per Share	35,750,100	22,438,561
Weighted average number of equity shares outstanding during the period used for computing Diluting Earnings per Share	38,242,972	23,071,987
Number of Shares Outstanding at the end of the period / year	42,750,100	42,750,100

1. **The ratios have been computed as below:**

   Basic and Diluted Earnings per share (in Rs.) = Net Profit After Tax - Restated
   --
   Weighted average number of equity shares outstanding during the period/year

   Net Asset Value per Share (in Rs.) = Net Worth - Restated
   --
   Total number of equity shares outstanding at the end of the period/year

   Return on Net Worth (%) = Net profit after Tax - Restated
   --
   Net worth - Restated at the end of the period/year

2. **Net profit- Restated as appearing in the "Consolidated Restated Summary of Profit and Loss" has been considered for the purpose of computing the above ratios.**
3. **Earnings Per Share calculation are done in accordance with Accounting Standard 20 on Earnings Per Share.**
4. **Net Worth means Equity Share Capital + Preference Share Capital + Reserves and Surplus as appearing in "Consolidated Restated Summary of Statement of Assets & Liabilities ".**

Annexure 21: Details of Consolidated Dividends

(Rs. in Million)

	Class of Shares	15 Months period ended September 30, 2009	For the year ended June 30, 2008
I	Equity Shares of Rs. 10 each fully paid	35,750,100	21,750,100
	Dividend Rate (%)	-	65
	Dividend (in Rs.)	-	141.38
	Tax on Dividend (in Rs.)	-	24.03
II	Convertible Cumulative Participatory Preference Shares of 10 each fully paid	7,000,000	7,000,000
	Dividend Rate (%)	13	17
	Dividend (in Rs.)	0.88	1.17
	Tax on Dividend (in Rs.)	0.15	0.20

MANAGEMENT'S DISCUSSION AND ANALYSIS OF STANDALONE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References to fiscal 2006, 2007 and 2008 are to the 12-months ended June 30, 2006, 2007 and 2008, respectively. For 2009, the fiscal year end was changed to end on September 30. Therefore, the results of operations and cash flows for the 15 month period ended September 30, 2009 are not comparable with fiscal 2006, 2007 and 2008.

The following discussion and analysis of our standalone financial condition and results of operations as at and for the 15 months ended September 30, 2009 and as at and for the years ended June 30, 2008, 2007 and 2006 should be read in conjunction with our audited standalone financial statements, as restated, as at and for the 15 months ended September 30, 2009 and as at and for the years ended June 30, 2008, 2007 and 2006, including the schedules, annexes and notes thereto and the report thereon, which begin on page F-1 under the section titled "Financial Statements".

We prepare our financial statements in accordance with Indian GAAP, which differs in certain material respects from IAS/IFRS, U.S. GAAP and other accounting principles and auditing standards in other countries with which prospective investors may be familiar.

In this section, references to "we", "our" and "us" are to the Company unless the context others requires.

Overview

We are primarily an engineering, procurement and construction ("EPC") company which is dedicated to providing comprehensive infrastructure solutions, primarily in the telecom, power and water and waste water sectors. We believe we distinguish ourselves by having state-of-the-art manufacturing facilities and a dedicated R&D department committed to providing innovative solutions to our clients. We started our operations in 1989 and have over two decades of experience in providing integrated design, manufacturing, testing, installation and commissioning services of telecom infrastructure to telecom operators and over a decade of experience in constructing power transmission lines and distribution networks on the same basis. In 2008, we diversified our EPC business into the water and waste water sector and have starting bidding for EPC contracts in the oil and gas sector. We have completed EPC projects in various states across India and in ten other countries in Asia, the Middle East and Africa.

Since our incorporation, we have been designing, developing, manufacturing, installing and commissioning communications equipment for telecom operators and as a result of our increased focus on our R&D, we expanded to do this for India's defence sector. In 2007, we began manufacturing solar photovoltaic modules and providing turnkey solar energy solutions.

We are headquartered in Hyderabad, India and have offices in Sri Lanka and Nepal. Additionally, we lease 85 properties (excluding our registered office and our manufacturing facilities) over 18 states in India which we utilise for our offices, guest houses and stores under different lease deeds/rental arrangements. We own and operate one manufacturing facility in Hyderabad which is spread across 80 acres, and three other manufacturing facilities in India spread across 15 acres cumulatively, where we manufacture products for the power transmission and distribution, telecom, defence and solar sectors. As at February 28, 2010, we employed 1,929 full-time employees at our various locations.

For further details, see "Business" beginning on page 76.

Comparison of Standalone and Consolidated Results of Operations and Financial Condition

Prior to the year ended June 30, 2008, we did not have any subsidiary companies. Subsequently, we incorporated three wholly owned subsidiaries, details of which are given below:

Name of the Subsidiary	Date of Incorporation	Country of Incorporation	Controlling Interest with Voting Power
Icomm. International Lanka (Private) Limited	October 4, 2007	Sri Lanka	100%
ICOMM Energy Limited	September 5, 2008	India	100%
Vasitva Ispat Limited	January 24, 2008	India	100%

However, the effect of our subsidiaries on our consolidated results of operations and financial condition for the 15 months ended September 30, 2009 and year ended June 30, 2008 were immaterial. Set forth below is a comparison of our results of operations and financial condition on a consolidated basis and on a standalone basis in the 15 months ended September 30, 2009 and year ended June 30, 2008:

Rs. in million

	As at and for the 15 Months Ended September 30, 2009		As at and for the Year End June 30, 2008	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	9,107.28	9,133.47	10,692.06	10,708.59
Profit before Tax	379.09	373.75	1,249.04	1,259.53
Profit after Tax, as restated	260.09	251.47	756.22	754.71
Total Borrowings	4,351.27	4,353.63	2,180.73	2,180.73
Total Assets	12,628.99	12,628.29	10,608.51	10,613.44
Total Liabilities and Provisions	9,663.26	9,678.56	7,901.57	7,907.25

Factors Affecting our Results of Operations, Cash Flows and Financial Condition

Performance of the Power Sector and the Demand for our EPC Power Services: Our financial results are particularly affected by developments in the Indian power sector, which is primarily dependent on sustained economic development in India, government policies relating to infrastructure development, and budgetary allocations made by governments to these sectors, as well as funding provided by international and multilateral development financial institutions for these businesses. Our EPC power businesses accounted for approximately 51.09%, 37.47% and 25.15% of our total income in the 15 months ended September 30, 2009, fiscal 2008 and fiscal 2007, respectively. Adverse changes in government policies or budgetary allocations and funding could negatively affect the power sector in India, harm our power business and negatively affect our results of operations. On the other hand, favourable government policies and increased budgetary allocations could result in increased growth in the power sector, and positively affect our power business and our results of operations.

Performance of the Telecom Industry and the Demand for our EPC Telecom Services: Our financial results are affected by developments in the Indian telecommunications industry. Our EPC telecom businesses accounted for approximately 9.33%, 4.43% and 2.27% of our total income in the 15 months ended September 30, 2009, fiscal 2008 and fiscal 2007, respectively. We also sell telecom towers and other infrastructure for the telecom sector, which is material to our results of operations. The Indian telecom industry is constantly witnessing the entrance of new competitors and technological advances, and the Indian Government has been active in its regulation of the Indian telecommunications industry. New guidelines promulgated by the Government could incentivize operators not to use the systems of third party passive infrastructure operators such as ourselves or otherwise disadvantage our business. Alternatively, or additionally, the Government could expand its Universal Service Support for rural development which, while beneficial to our business in certain respects due to its promotion of passive infrastructure sharing, limits the overall development of telecommunication towers and related assets within areas that are subject to the scheme. The development and implementation of new technologies such as LTE designed to enhance the efficiency of networks could reduce the use of and need for telecommunication tower-based wireless transmission and reception services, which would likely have the effect of decreasing demand for our EPC telecom services. In addition, the emergence of new technologies could reduce the need for telecommunication tower-based broadcast services transmission and reception. For example, the growth in delivery of video services by direct broadcast satellites could adversely affect demand for our antenna space. Significant consolidation among our existing or potential customers may result in reduced capital expenditures in the aggregate because the existing networks of many wireless carriers overlap, as they do their expansion plans. Pursuant to any such consolidation, certain parts of our actual or potential customers' merged networks may be deemed to be duplicative and these customers may attempt to eliminate these duplications. Our results of operations could be negatively impacted if a significant number of these contracts are eliminated from our ongoing contractual revenues and our growth prospects may be limited if such consolidations occur and eliminate what we currently believe to be potential markets for our services. Similar consequences might occur if wireless communications service providers begin to engage in extensive sharing, roaming or resale arrangements as an alternative to leasing passive infrastructure from third party operators such as our Company. These and other market driven trends could materially impact our business, results of operations and financial condition. If the Indian telecom industry does not grow or grows at a slower rate than we expect, or the behaviours of market players do not meet our current expectations, the demand for our services and our growth prospects will be adversely affected and could have a material adverse effect on our business. On the other hand, continued or increased growth in the Indian telecom industry could positively affect our business, results of operations and financial condition.

Order Book: Our Order Book as at February 28, 2010 was Rs. 16,144.59 million. Our Order Book does not necessarily indicate future revenue and if we do not achieve our expected margins or if we suffer losses on one or more of these contracts, this could reduce our income or cause us to incur a loss. Although projects in the Order Book represent business that we consider firm, cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with any certainty when or if the projects in our Order Book will be performed and will generate revenue.

Key Clients: Our five largest clients in the 15 months ended September 30, 2009 and the 12 months ended June 30, 2008, accounted for 73.64% and 57.61% of our total income, respectively. Our five largest clients and the percentage they contributed to our total income in the 15 months ended September 30, 2009 were as follows: PGCIL – 28.41%; NTPC – 27.70%; Dishnet Wireless – 6.79%; BSNL – 6.31%; and APSPDCL – 4.44%. Our five largest clients and the percentage they contributed to our total income in fiscal 2008 were as follows: PGCIL – 26.00%; BSNL – 15.78%; NTPC - 10.06%; UPCL – 9.98%; and APSPDCL – 5.79%. The loss of a significant client or a number of significant clients or projects from such clients for any reason, including as a result of disqualification or dispute, may have an adverse effect on our business and our results of operations.

Competition: All of our businesses operate in a highly competitive environment. Some of the businesses we compete against have greater financial resources, economies of scale and operating efficiencies. For further details on our competition, see "Business" on page 76.

Exposure to larger projects: We are increasingly bidding for and winning contracts for large-scale infrastructure projects. There are various risks associated with the execution of large-scale projects. Large contracts may take up an increasingly large part of our portfolio, increasing the potential volatility of our results through increased exposure to individual contract risks. Managing large-scale integrated projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. In addition, we may need to execute large-scale projects through joint ventures with other companies, which exposes us to the risk of default by our joint venture partners.

EPC contracts: For EPC contracts, changes in the quantity of material, fuel and labour required to execute the project could cause the actual expense to us for executing the project to vary from the assumptions underlying our bid for such contract, which could reduce our profit margins and lead to losses, or increase our profit margins and lead to unexpected gains. We derived 94.86% of our total income from sales in the 15 months ended September 30, 2009 from our four EPC business segments, namely EPC power, EPC infrastructure for power and telecom, EPC telecom and EPC water and waste water, oil and gas. Most of our EPC contracts provide for certain price variation clauses based on, among other things, increases in the prices of certain materials, labour costs and taxes, if the price varies above a certain percentage. However, we continue to be exposed to the risk of price changes in materials and labour costs if a price variation formula does not accurately reflect our increased costs.

In addition, the revenue from our EPC projects is derived primarily from contracts awarded to us on a project-by-project basis, and our results of operations and cash flows can fluctuate materially from period to period depending on the timing of contract awards and timing of execution of the projects.

We cannot predict when we will be awarded new EPC contracts and our ability to win new EPC contracts depends on various factors such as the demand for the EPC services we provide and competition for those contract awards.

Cost, Availability and Quality of Materials: Our business is significantly affected by the availability, cost and quality of the raw materials, purchased items and fuel, which we need to construct and execute our projects and products. The prices and supply of raw materials, purchased items and fuel depend on factors not under our control. Although we generally provide for price contingencies in our contracts to limit our exposure, if our primary suppliers of raw materials, purchased items and fuel should curtail or discontinue their delivery of such materials to us in the quantities we need or at prices that are competitive or expected by us, or supply materials of poor quality, our ability to meet our material requirements or quality standard for our projects could be impaired. On the other hand, if the cost of the raw materials, purchased items and fuel, and other costs necessary for the construction and development of our projects decreases from the price that we had assumed in our bid for the contract, our profit from the project could be greater than we expected.

Availability of funds for our working capital, capital expenditure and other requirements: Our business requires a significant amount of working capital and capital expenditures. Significant amounts of working capital could be required to finance the purchase of materials and the performance of engineering, construction and other work on projects before progress payments are received from clients. Significant amounts of capital expenditures are required to purchase, maintain and update plants and equipment that are important to our provision of products and services in our businesses. Generally, payments from clients are linked to completion milestones or are made monthly, and are spread out over the execution period of the contract. Consequently, there could be situations where the total funds available may not be sufficient to fulfill our commitments, and hence we may need to incur additional indebtedness in the future or utilize cash flows from operations and other activities to satisfy our working capital and capital expenditure needs. We have had negative cash flows from operations in the 15 months ended September 30, 2010, fiscal 2008 and fiscal 2007. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet working capital, capital expenditure and other requirements, there may be an adverse effect on our business and results of operations.

It is customary in the industries in which we operate to provide bank guarantees in favour of clients to secure obligations under contracts. Providing security to obtain letters of bank guarantees increases our working capital needs and limits our ability to obtain further bank guarantees. If we are unable to provide sufficient collateral to secure bank guarantees, our ability to enter into new contracts could be limited.

Long Gestation Period in Defence Business: Defence products require lengthy R&D processes and testing. The products that we develop may not receive the necessary regulatory approvals or may be rejected by the Government/Government appointed agencies for a variety of reasons. This could have a material adverse effect on our business, prospects, financial condition and results of operations. By the time the product development and evaluation cycle is completed, new technologies and products may make the developed product unattractive to the potential user. Further, defence procurement in India for our products is through a tendering process and it that can take substantial amount of time for a tender to be evaluated and a purchase order placed. This can result in substantial expenditure which may not result in revenues for us. Further, we need to extend product support to our buyer for periods of more than ten years. This can result in unexpected expenses necessary to address problems such as component obsolescence.

Economic conditions in India: Our results of operations are affected by economic conditions in India. In periods of slow economic growth, demand for EPC services tends to be adversely affected. During the 15 months ended September 30, 2009, the business environment was extremely adverse. Since the second half of the year 2007, the global credit markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions which have originated from the liquidity disruptions in the United States and the European Union credit and sub-prime residential mortgage markets. These and other related events, such as the recent collapse of a number of financial institutions, have had, and continue to have, a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India. The deterioration in the financial markets has heralded a recession in many countries, which has led to significant declines in employment, household wealth, consumer demand and lending and, as a result, may adversely affect economic growth in India and elsewhere. In addition, changes in the global and Indian credit and financial markets have recently significantly diminished the availability of credit and led to an increase in the cost of financing for our short-term loans. As part of our business operations and growth prospects depend on the demand from the telecommunication operators, their ability to raise financing and secure additional customers that may have been undermined due to recent economic conditions could have a negative effect on our result of operations.

For further discussion of factors that may affect our results of operations and financial condition, see the section titled "Risk Factors" beginning on page xiii.

Significant Accounting Policies

Basis of Presentation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, Accounting Standards issued by the Institute of Chartered Accountants of India and the Companies Act, 1956 as adopted consistently by the Company ("Indian GAAP"). All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

Use of Accounting Estimates

The preparation of financial statements in conformity with Indian GAAP requires our management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the balance sheet date and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known and materialised.

Revenue Recognition

Sales are comprised of sale of products and services. The sale value is inclusive of excise duty less discounts, but is exclusive of sales tax / VAT and service tax. The principles of revenue recognition are given below:

- Sale of goods is recognised on completion of supplies per set or a completed tower basis and upon raising commercial invoice and upon transfer of title or shipment of the products and on transfer of significant risk and reward of ownership.
- In the case of turnkey project contracts, revenue from fixed price and work contracts are recognised by percentage of completion, calculated by dividing the cost incurred for work performed up to the reporting date by the total estimated contract cost. Additional claims including escalation are recognised as contract revenue in the year in which the claims are admitted. Future expected loss, if any, is recognised as expenditure. The warranty period expenditure, if any, is accounted as and when incurred.
- Export sales are accounted for at the exchange rate prevailing on the date of the invoice, and the exchange rate variation on realisation is accounted for in the year of receipt of sale proceeds. Export incentives under the duty drawback scheme are recognised on receipt and fulfilment of the obligation.
- Income from the lease of fixed assets is recognised in accordance with the terms of the lease agreement.
- Interest is recognised based on the number of days elapsed in the relevant period.
- Scrap sale is accounted on actual clearance.

Fixed Assets

All fixed assets are stated at acquisition cost less accumulated depreciation / amortisation thereon except for land, which is either stated at cost or at revalued amounts. Cost includes duties and any directly attributable costs needed to bring the assets into working condition for its intended use.

Depreciation

Depreciation is provided on a straight line basis on the assets existing prior to December 16, 1993 at the rates prevailing during that period and on additions made on or after that date, at the revised rates and in the manner specified in Schedule XIV to the Companies Act. Depreciation on assets is amortised over the period of lease.

Investments

- Long term investments are valued at cost, less provision for permanent diminution, if any, in the value of such investments.
- Current investments are valued at the lower of cost and fair value.

Inventories

Inventories are valued as follows:

- Raw materials including components are valued at cost. Cost excludes refundable duties and taxes.
- Work-in-process is valued at cost. In-respect of turnkey contracts, work-in-process is valued at the contract rates less estimated profit margins or net realisable value.
- Finished goods are valued at the lower of cost and net realisable value.

Research and Development

Revenue expenditure including overheads on research and development are expensed in the period incurred / accrued. Capital expenditures are included under fixed assets and depreciation is provided on such assets in the manner stated above.

Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time, i.e., more than 12 months, to get ready for its intended use. All other borrowing costs are charged to revenue.

Impairment of Assets

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there are any indications of impairment. If any such indication exists, the amount of recoverable assets is estimated. The recoverable amount is the greater of the asset’s net sale price and its value in use, which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Foreign Currency Transactions

- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.
- Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
- The difference in translation of monetary assets and liabilities and realised gains and losses to foreign exchange transactions are recognised in the profit and loss account.

Employee Benefits

The estimated liability for employee benefits for present and past services which are due as per the terms of employment are determined in accordance with the requirements of Accounting Standard (AS) 15 “Employee Benefits” issued by the Companies (Accounting Standards) Rules, 2006. A brief description of employee benefits are as follows:

- Gratuity – The Company has an obligation to contribute to gratuity, a defined retirement plan covering all eligible employees. The plan provides for lump sum payment in accordance with the Payment of Gratuity Act, 1972 to vested employees on retirement, death while in employment or on leave. Vesting occurs on completion of five years of service. The liability is determined and charged to the profit and loss account on the basis of valuations by an independent actuary.
- Provident Fund – This is a defined contribution plan of the Government of India under which both the employer and employee contribute monthly at a pre-determined rate (currently up to 12% of employee salary) and the Company has no further obligations.
- Compensated Absences - This is a long term liability which has been determined in accordance by means of an independent actuarial valuation.

Taxation

- Current tax – Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.
- Deferred tax - Deferred tax resulting from timing differences between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that assets will be realized in future.

Government Grants

- Government grants in the nature of capital investment subsidy are treated as capital reserve.
- Government grants in the nature of revenue are taken as credit to the profit and loss account over the period of grant.

Leases

The Company's significant leasing arrangements are in respect of operating leases for premises and equipments. The leasing arrangements range from 11 months to 5 years generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable and receivable are charged as rent or recognised as income in the profit and loss account.

Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that, there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes of the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Summary of Results of Operations

The table below sets forth, for the periods indicated, a summary of our restated standalone profit and loss account, both in absolute terms and with each line item represented as a percentage of total income:

	15 Months Ended September 30, 2009		**Year End June 30, 2008**		**Year End June 30, 2007**		**Year End June 30, 2006**	
	Rs. Millions	**% of Total Income**	**Rs. Millions**	**% of Total Income**	**Rs. Millions**	**% of Total Income**	**Rs. Millions**	**% of Total Income**
INCOME:								
Sales of Manufactured Goods	3,148.53	34.57%	6,103.85	57.09%	5,436.28	71.50%	3,092.01	84.30%
Trade Sales	146.42	1.61%	55.17	0.52%	-	-	-	-
Contract and Service	5,720.17	62.81%	4,480.54	41.91%	2,085.02	27.42%	517.60	14.11%

	15 Months Ended September 30, 2009		Year End June 30, 2008		Year End June 30, 2007		Year End June 30, 2006	
	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income
Income								
Total Sales	**9,015.12**	**98.99%**	**10,639.56**	**99.51%**	**7,521.30**	**98.92%**	**3,609.61**	**98.41%**
Other Income	92.16	1.01%	52.50	0.49%	81.99	1.08%	58.39	1.59%
TOTAL INCOME	**9,107.28**	**100.00%**	**10,692.06**	**100.00%**	**7,603.29**	**100.00%**	**3,668.00**	**100.00%**
EXPENDITURE:								
Increase / (Decrease) in Finished Goods and Work in Process	(327.05)	-3.59%	147.05	1.38%	55.64	0.73%	(281.04)	-7.66%
Raw Material Consumed	5,815.48	63.86%	7,158.61	66.95%	5,481.97	72.10%	2,802.78	76.41%
Manufacturing and Other Expenses	1,865.57	20.48%	1,446.57	13.53%	1,099.50	14.46%	652.09	17.78%
Payments and Benefits to Employees	400.09	4.39%	216.41	2.02%	148.19	1.95%	109.02	2.97%
TOTAL EXPENDITURE	**7,754.09**	**85.14%**	**8,968.64**	**83.88%**	**6,785.30**	**89.24%**	**3,282.85**	**89.50%**
Profit Before Interest, Depreciation and Tax	**1,353.19**	**14.86%**	**1,723.42**	**16.12%**	**817.99**	**10.76%**	**385.15**	**10.50%**
Interest and Finance Cost	862.59	9.47%	406.92	3.81%	268.84	3.54%	137.09	3.74%
Profit Before Depreciation and Tax	**490.60**	**5.39%**	**1,316.50**	**12.31%**	**549.15**	**7.22%**	**248.06**	**6.76%**
Depreciation / Amortisation	108.34	1.19%	55.46	0.52%	54.97	0.72%	70.32	1.92%
Profit Before Tax and Restatement	**382.26**	**4.20%**	**1,261.04**	**11.79%**	**494.18**	**6.50%**	**177.74**	**4.85%**
Adjustments on Account of Restatement								
Depreciation	(0.21)	0.00%	(0.17)	0.00%	(0.17)	0.00%	(0.17)	0.00%
Others	(2.96)	-0.03%	(11.83)	-0.11%	(71.71)	-0.94%	11.30	0.31%
Profit Before Tax, Exceptional Items and After Restatement	**379.09**	**4.16%**	**1,249.04**	**11.68%**	**422.30**	**5.55%**	**188.87**	**5.15%**
Exceptional Items	-	-	-	-	14.48	0.19%	32.91	0.90%
Profit Before Tax, and after Exceptional Items and Restatement	**379.09**	**4.16%**	**1,249.04**	**11.68%**	**436.78**	**5.74%**	**221.78**	**6.05%**
Tax Expense	**112.26**	**1.23%**	**490.19**	**4.58%**	**176.39**	**2.32%**	**69.09**	**1.88%**
Effect on Tax due to Restatement	(1.08)	-0.01%	(4.08)	-0.04%	(24.44)	-0.32%	3.75	0.10%
Restatements Relating to Tax Expense	7.82	0.09%	6.71	0.06%	(0.73)	-0.01%	(13.80)	-0.38%
Tax Expense Restated	**119.00**	**1.31%**	**492.82**	**4.61%**	**151.22**	**1.99%**	**59.04**	**1.61%**

	15 Months Ended September 30, 2009		Year End June 30, 2008		Year End June 30, 2007		Year End June 30, 2006	
	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income
Profit After Tax, Exceptional Items and Restatement	**260.09**	**2.86%**	**756.22**	**7.07%**	**285.56**	**3.76%**	**162.74**	**4.44%**

The following table sets forth our total sales on a segment basis for the periods indicated:

(Rs. in million)

	15 Months Ended September 30, 2009	12 Months Ended June 30, 2008	12 Months Ended June 30, 2007	12 Months Ended June 30, 2006
EPC power	4,652.93	4,006.06	1,912.10	248.83
EPC infrastructure for power and telecom	2,917.83	4,352.93	3,617.64	2,407.07
EPC telecom	849.59	474.48	172.92	264.93
EPC other (water & waste water)	131.50	-	-	-
Communications and technology	395.04	1,778.77	1,716.76	551.15
Renewable energy (solar) and others	68.23	27.32	101.88	137.63
Total Sales	**9,015.12**	**10,639.56**	**7,521.30**	**3,609.61**

Income

Income from Sales

Our income from sales consists of revenue from our:

- EPC power segment;
- EPC infrastructure for power and telecom segment;
- EPC telecom segment;
- EPC other (water & waste water) segment;
- Communications and technology division (telecommunications equipment and defence equipment); and
- Renewable energy division (solar).

Our EPC power segment has two sub-segments: EPC power transmission and EPC power distribution: Our EPC power transmission business earns revenue from designing, engineering, procuring the materials for and constructing power transmission lines. Our EPC power distribution business earns revenue from design, engineering, procuring the materials for and constructing electricity distribution networks. Revenue from our designing, engineering, supply of materials and construction services is shown in contract and services income in our statement of profit and loss and revenue from manufacture of materials is shown in sales of manufactured goods in our statement of profit and loss.

Our EPC infrastructure for power and telecom segment earns revenue from the design, engineering and manufacture of power transmission towers, telecom towers, conductors, transformers, shelters for defence and telecom applications and custom designed steel structures. Revenue from goods we manufacture is shown in sales of manufactured goods in our statement of profit and loss. This segment also earns revenue from purchasing and reselling goods and the revenue is shown in trade sales in our statement of profit and loss.

Our EPC telecom segment earns revenue by providing a variety of turnkey and support services for fixed, mobile and data operators and other telecom corporations, including the design, engineering, procurement and erection of telecom towers, telecom shelters and related passive equipment, as well as operation and maintenance services for base station sites. Revenue from our EPC telecom segment is shown in contract and services income in our statement of profit and loss.

Our EPC water and waste water segment earns revenue from the laying of water pipelines for the supply of drinking and industrial water, construction of underground drainage schemes and sewage treatment plants, water transmission and distribution systems. Revenue from our design, engineering, supply of materials and construction services is shown in contract and services income in our statement of profit and loss.

Our communications and technology segment has two sub-segments: telecom equipment and defence equipment. Our telecom equipment segment earns revenue from providing telecom equipment on a turnkey basis, such as WiMAX equipment, managed lease line network equipment, CDMA equipment and lawful interception equipment, as well as from supplying other active telecom equipment such as CDMA phones, SDH equipment, Gigabit Ethernet passive optical network equipment, solid state power amplifiers equipment and antennas. Our defence equipment segment earns revenue from designing, developing, prototyping, testing and manufacturing telecom equipment for India's defence sector, including: frequency hopping point to point and point to multi-point radios; digital microwave radios; optical transmission equipment; and intercom systems for armoured vehicles. We are a registered vendor with the Indian Army, eight laboratories of Defence Research and Development Organization and four public sector undertakings associated with the Ministry of Defence. Revenue from our communications and technology segment is shown in sales of manufactured goods and partly in contract and services income in our statement of profit and loss.

Our renewable energy division earns revenue from manufacturing solar photovoltaic modules and solar photovoltaic systems for cellular and fixed operators and other private sector and public utility customers. We offer solar energy products ranging from portable lighting systems and indoor home lighting systems to LED street lighting systems and have the ability to produce standalone power plants (up to 100kW) and grid interactive power plants (ranging from 10kW to 20MW). Revenue from our renewable energy division is shown in sales of manufactured goods in our statement of profit and loss.

Set forth below is a table showing our sales broken down into sales by type and business segment for the periods indicated:

	15 Months Ended September 30, 2009	**12 Months Ended June 30, 2008**	**12 Months Ended June 30, 2007**	**12 Months Ended June 30, 2006**
Sales of Manufactured Goods:				
EPC infrastructure for power and telecom	2,771.41	4,297.76	3,617.64	2,407.07
Communications and technology	308.89	1,778.77	1,716.76	547.31
Renewable energy (solar)	68.23	27.32	101.88	137.63
Total Sales of Manufactured Goods	***3,148.53***	***6,103.85***	***5,436.28***	***3,092.01***
Trade Sales:				
EPC infrastructure for power and telecom	146.42	55.17	-	-
Total Trade Sales	***146.42***	***55.17***	***-***	***-***
Contract and Service Income:				
EPC power	4,652.93	4,006.06	1,912.10	248.83
EPC telecom	849.59	474.48	172.92	264.93
EPC water & waste water	131.50	-	-	-
Communications and technology	86.15	-	-	3.84
Total Contract and Service Income	***5,720.17***	***4,480.54***	***2,085.02***	***517.60***
Total Sales	**9,015.12**	**10,639.56**	**7,521.30**	**3,609.61**

Other Income

Other income includes interest payments received, rent on buildings and equipment, provisions no longer required to be written back, profits on sale of assets, subsidy from IREDA transferred from the capital reserve, miscellaneous receipts, and prior period adjustments.

Expenditures

Our expenditures consist of (i) raw materials consumed; (ii) manufacturing and other expenses; (iii) payments and benefits to employees; and (iv) increase / decrease in finished goods and work in process.

Raw Materials Consumed

Raw material consumed costs consist primarily of the costs of raw materials and components consumed or used in our products and EPC projects, such as mild steel materials, electronic components, copper material, zinc, aluminium conductors, cement, diesel oil, concrete, reinforcement bars, electrodes, coating material or valves, and other materials used in our business. Any amortization or depreciation in the value of the inventory of these materials and equipment are also recorded under material cost. Set forth below is table showing the total cost of raw materials consumed the and the cost and amount of mild steel materials, electronic components and copper material consumed (which are only the materials representing close to or more than 5% of the total amount of raw materials consumed) in each of the periods indicated:

	15 Months Ended September 30, 2009		**Year End June 30, 2008**		**Year End June 30, 2007**		**Year End June 30, 2006**	
	Rs. Millions	**Quantity**	**Rs. Millions**	**Quantity**	**Rs. Millions**	**Quantity**	**Rs. Millions**	**Quantity**
Total Raw Materials Consumed	**5,815.48**	**NA**	**7,158.61**	**NA**	**5,481.97**	**NA**	**2,802.78**	**NA**
Of which:								
Mild steel materials	2,071.41	57,815.57 MT	2,373.20	73,022 MT	1,929.58	70,457 MT	1,401.91	59,191 MT
Electronic components/ Equipment	268.44	1,857 Nos.	1,090.12	42,025 Nos.	1,194.55	71,3419 Nos.	538.32	2,183 Nos.
Copper material	106.33	398 MT	104.73	290 MT	64.81	187 MT	54.31	196 MT

Manufacturing and Other Expenses

Manufacturing and other expenses include: outside processing charges; site erection charges; power costs: fuel costs; plant and machinery costs; rent; rates & taxes; printing & stationery expenses; travelling & conveyance expenses; postage expenses; telegram, telex and telephone expenses; insurance; professional charges; audit fees; security charges; selling expenses; general expenses; losses on sale of assets; losses on discarded sales; provisions for doubtful debts and advances; provisions written off; donations; membership fees; subscriptions; excise duty; service taxes; and losses arising from foreign exchange fluctuations.

Set forth below is a table showing the principal recurring expenses included in our manufacturing and other expenses for the periods indicated:

	15 Months Ended September 30, 2009	**12 Months Ended June 30, 2008**	**12 Months Ended June 30, 2007**	**12 Months Ended June 30, 2006**
Total manufacturing and other expenses	**1,865.57**	**1,446.57**	**1,099.50**	**652.09**
Of which:				

Site erection charges	954.78	561.51	363.89	206.92
Selling expenses	159.82	402.64	248.50	134.19
Outside processing charges	144.99	121.30	99.39	68.04
Travelling and conveyance	81.40	74.99	66.81	35.91

Payments and Benefits to Employees

Payments and benefits to employees consist of (i) salaries, wages and bonus; (ii) staff welfare expenses; (iii) contribution to employee provident funds and employee state insurance; and (iv) gratuity and leave encashment.

Increase/Decrease in Finished Goods and Work in Process

Our increase/decrease in finished goods and work in process primarily relates increases/decreases in stock of tower parts and shelters for our EPC infrastructure for power and telecom segment, transformers for our EPC telecom segment and SPV modules for our solar energy business at the end of each reporting period taking into account the change in the value of such stock.

Interest and Finance Costs

Interest and finance costs comprise (i) interest on term loans, (ii) interest on cash credit and working capital loans; (iii) interest on others; and (iv) bank and finance charges.

Depreciation

Depreciation includes depreciation on buildings, plant and machinery, vehicles, furniture and fixtures, computers, office equipment and other fixed assets.

Results of Operations

Due to the nature of our EPC businesses, the completion schedules for our projects, the way we recognise revenue, the nature of expenditure involved in a particular project, the specific terms of a particular project contract (including payment terms) and other factors that affect our income and expenditure on specific project, our results of operations may vary significantly from period to period.

15 Months Ended September 30, 2009 Compared to Year Ended June 30, 2008

Due to the different periods, our standalone results for the 15 months ended September 30, 2009 are not directly comparable to our standalone results for the twelve month period in the fiscal year ended June 30, 2008.

Total Income

Our total income decreased by Rs. 1,584.79 million or 14.82% from Rs. 10,692.07 million in fiscal 2008 to Rs. 9,107.28 million in the 15 months ended September 30, 2009.

Total Sales

Our total sales decreased by Rs. 1,624.44 million or 15.27%, from Rs. 10,639.56 million in fiscal 2008 to Rs. 9,015.12 million in the 15 months ended September 30, 2009.

Sales of manufactured goods decreased by Rs. 2,955.32 million or 48.42%, from Rs. 6,103.85 million in fiscal 2008 to Rs. 3,148.53 million in the 15 months ended September 30, 2009. This decrease was primarily due to reduction in sales from EPC infrastructure for power and telecom, and communications and technology segments.

Trade sales increased by Rs. 91.25 million or 165.40% from Rs. 55.17 million in fiscal 2008 to Rs. 146.42 million in the 15 months ended September 30, 2009. This increase was primarily due to the sale of billets and blooms in our EPC infrastructure for power and telecom segment.

Contract and services income increased by Rs. 1,239.63 million or 27.67%, from Rs. 4,480.54 million in fiscal 2008 to Rs. 5,720.17 million in the 15 months ended September 30, 2009. This increase was primarily due to revenue from our new EPC water and waste water business, which began earning revenue for the first time in fiscal 2008, and new orders in our EPC power and EPC telecom divisions.

Revenues by Segment

EPC power: Total revenue from our EPC power segment increased by Rs. 646.87 million or 16.15% from Rs. 4,006.06 million in fiscal 2008 to Rs. 4,652.93 million in the 15 months ended September 30, 2009. Our power business has two sub-segments: EPC power transmission and EPC power distribution.

Revenue from our EPC power transmission business decreased by Rs. 123.84 million or 76.72% from Rs. 161.41 million in fiscal 2008 to Rs. 37.57 million in the 15 months ended September 30, 2009. This decrease was primarily due to major EPC Power transmission orders executed in fiscal 2008 when compared to the 15 months ended September 30, 2009.

Revenue from our EPC power distribution business increased by Rs. 770.71 million or 20.05% from Rs. 3,844.65 million in fiscal 2008 to Rs. 4,615.36 million in the 15 months ended September 30, 2009. This increase was primarily due to progress made on executing various EPC power projects.

EPC infrastructure for power and telecom: Total revenue from our EPC infrastructure for power and telecom segment decreased by Rs. 1,435.09 million or 32.97% from Rs. 4,352.93 million in fiscal 2008 to Rs. 2,917.84 million in the 15 months ended September 30, 2009. Revenue from sales of EPC infrastructure for the power sector increased by Rs. 546.55 million or 35.99% from Rs. 1,518.70 million in fiscal 2008 to Rs. 2,065.25 million in the 15 months ended September 30, 2009. This increase was primarily due to execution of new orders in our EPC power division. Revenue from sales of EPC infrastructure for the telecom sector decreased by Rs. 1,981.64 million or 69.92% from Rs. 2,834.23 million in fiscal 2008 to Rs. 852.59 million in the 15 months ended September 30, 2009. This decrease was attributable to a decrease in sales due to lack of overall demand for new telecom towers in India. The decrease in demand for new telecom towers in India has continued and as at February 28, 2010, our order book for the supply of materials for new telecom towers was Rs. 347.42 million. We expect demand in India for new telecom towers to be muted in the future. As such, we are planning to expand our EPC infrastructure telecom business to other countries in the Middle East, Africa and Asia.

EPC telecom: Total revenue from our EPC telecom segment increased by Rs. 375.11 million or 79.06% from Rs. 474.48 million in fiscal 2008 to Rs. 849.59 million in the 15 months ended September 30, 2009. The difference was attributable to an increase in sales caused by the execution of new EPC projects in the telecom sector.

EPC other (water & waste water, oil & gas): In 2008, we expanded our business into water and waste water and oil and gas EPC projects. Our EPC water and waste water business first began to generate revenue during the 15 months ended September 30, 2009. Total revenue for that period was Rs. 131.50 million. We have not earned any income from undertaking EPC projects in the oil and gas sector. However, we currently have two tenders for EPC projects in the oil and gas sector under consideration.

Communications and technology: Total revenue from our communications and technology division decreased by Rs. 1,383.74 million or 77.79% from Rs. 1,778.77 million in fiscal 2008 to Rs. 395.03 million in the 15 months ended September 30, 2009. Our communications and technology division has two sub-segments: telecom equipment and defence equipment.

Revenue from our telecom equipment business decreased by Rs. 1,407.55 million or 79.36% from Rs. 1,773.73 million in fiscal 2008 to Rs. 366.18 million in the 15 months ended September 30, 2009. The decrease was attributable to a decrease in sales caused by completion of most of the projects in fiscal 2008 and the lack of new contract awards in the 15 months ended September 30, 2009.

Revenue from our defence equipment business increased by Rs. 23.82 million or 472.62% from Rs. 5.04 million in fiscal 2008 to Rs. 28.86 million in the 15 months ended September 30, 2009. The increase was attributable to an increase in sales caused by execution of new orders.

Renewable energy: Total revenue from our renewable energy division increased by Rs. 40.91 million or 149.74% from Rs. 27.32 million in fiscal 2008 to Rs. 68.23 million in the 15 months ended September 30, 2009. The increase was attributable to an increase in sales caused by the execution of new solar orders.

Other Income

Our other income increased to Rs. 92.16 million from Rs. 52.50 million in fiscal 2008, an increase of Rs. 39.66 million or 75.54%. The difference was primarily attributable to an increase in income from interest of Rs. 36.19 million or 138.39% in the 15 months ended September 30, 2009 compared with fiscal 2008 due to an increase in margin money deposits and the corresponding interest thereon.

Expenditure

Our total expenditure decreased by Rs. 1,214.55 million or 13.54% from Rs. 8,968.64 million in fiscal 2008 to Rs. 7,754.09 million in the 15 months ended September 30, 2009.

Raw Materials Consumed

Our total raw materials consumed decreased by Rs. 1,343.13 million or 18.76%, from Rs. 7,158.61 million in fiscal 2008 to Rs. 5,815.48 million in the 15 months ended September 30, 2009. This was mainly due to a decrease in sales and a decline in our average purchase price of some of the major materials, such as steel, aluminum and zinc. As a percentage of total income, raw materials consumed was 63.86% in the 15 months ended September 30, 2009 compared with 66.95% in fiscal 2008. This decrease was primarily due to increased revenue from contract and service income for which raw materials are not consumed.

Manufacturing and Other Expenses

Our total manufacturing and other expenses increased by Rs. 419.00 million or 28.97% from Rs. 1,446.57 million in fiscal 2008 to Rs. 1,865.57 million in the 15 months ended September 30, 2009. This increase was primarily due to an increase in site erection charges, which increased by Rs. 393.27 million and which was partially offset by a decrease of Rs. 242.82 miilion in selling expenses. Other expenses in fiscal 2008 included a Rs. 67.88 million loss on the sale of our business that was undertaking the manufacture of jelly filled cables and optical fibre cables (which we referred to as our cable division). As a percentage of total income, manufacturing and other expenses were 20.48% in the 15 months ended September 30, 2009 compared with 13.53% in fiscal 2008.

Payments and Benefits to Employees

Our payments and benefits to employees increased by Rs. 183.68 million or 84.88% from Rs. 216.41 million in fiscal 2008 to Rs. 400.09 million in the 15 months ended September 30, 2009. The increase was primarily attributable to an increase in the number of our employees as well as to overall increases in employees' salaries, wages and bonuses.

Increase / Decrease in Finished Goods and Work in Process

Our finished goods and work in process decreased by Rs. 327.05 million in the 15 month period ended September 30, 2009 compared with an increase of Rs. 147.05 million in fiscal 2008.

Profit before Interest, Depreciation and Tax

For the reasons discussed above, our profit before interest, depreciation and tax decreased to Rs. 1,353.19 million in the 15 months ended September 30, 2009 from Rs. 1,723.42 million in fiscal 2008, a decrease of Rs. 370.23 million or 21.48%. As a percentage of total income, our profit before interest, depreciation and tax was 14.86% in the 15 months ended September 30, 2009 compared with 16.12% in fiscal 2008.

Interest and Finance Cost

Our interest and finance cost increased by Rs. 455.67 million or 111.98% from Rs. 406.92 million in fiscal 2008 to Rs. 862.59 million in the 15 months ended September 30, 2009. This increase was primarily due to an increase in debt, which increased from Rs. 2,180.73 million as at June 30, 2008 to

Rs. 4,351.27 million as at September 30, 2009. As a percentage of total income, our interest and finance cost was 9.47% in the 15 months ended September 30, 2009 compared with 3.81% in fiscal 2008.

Depreciation

Depreciation increased by Rs. 52.88 million or 95.35% from Rs. 55.46 million in fiscal 2008 to Rs. 108.34 million in the 15 months ended September 30, 2009. This increase was primarily due to additional capital expenditure.

Profit Before Tax and Restatement

Principally for the reasons described above, our profit before tax and restatement decreased by Rs. 878.78 million or 69.69% from Rs. 1,261.04 million in fiscal 2008 to Rs. 382.26 million in the 15 months ended September 30, 2009.

Adjustments on Account of Restatement

Adjustments on account of restatement decreased profit before tax and exceptional items by Rs. 3.17 million in the 15 months ended September 30, 2009 and Rs. 12.00 million in fiscal 2008. For details, see "***Effect of Restatement Adjustments***" below.

Tax Expense Restated

Our tax expense restated increased to Rs. 119.00 million in the 15 months ended September 30, 2009 from Rs. 492.82 million in fiscal 2008, a decrease of Rs. 373.82 million or 75.85%. Our effective tax rate was 31.39% in the 15 months ended September 30, 2009 compared with the statutory rate of 33.99%. Our effective rate of tax was lower than the statutory rate of tax mainly due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act and the availing of the tax benefits provided under Section 80IB of the Income Tax Act, 1961, which provides for tax exemption of profits from New Industrial Undertakings. Our effective tax rate in fiscal 2008 was 39.46% compared with the statutory rate of 33.99%. Our effective rates of tax in fiscal 2008 was higher than the statutory rate of tax due to deferment of the expenditure such as depreciation and expenditure under Section 43B of the Income Tax Act, 1961 and due to disallowance of certain expenses under the provisions of the Income Tax Act, 1961.

Profit After Tax, Exceptional Items and Restatement

Principally for the reasons described above, our profit after tax, exceptional items and restatement was Rs. 260.09 million in the 15 months ended September 30, 2009, a decrease of Rs. 496.13 million or 65.61% compared with Rs. 756.22 million in fiscal 2008. As a percentage of total income, our net profit after restatement adjustments was 2.86% in the 15 months ended September 30, 2009 compared with 7.07% in fiscal 2008.

Year Ended June 30, 2008 Compared to Year Ended June 30, 2007

Total Income

Our total income increased by Rs. 3,088.77 million or 40.62% from 7,603.29 million in fiscal 2007 to Rs. 10,692.06 million in fiscal 2008. This increase was primarily attributable to increased sales in all of our business divisions and segments, except in the renewable energy division.

Total Sales

Our total sales increased by Rs. 3,118.26 million or 41.46%, from Rs. 7,521.30 million in fiscal 2007 to Rs. 10,639.56 million in fiscal 2008.

Sales of manufactured goods increased by Rs. 667.57 million or 12.30%, from Rs. 5,436.28 million in fiscal 2007 to Rs. 6,103.85 million in fiscal 2008. This increase was primarily due to new orders executed in EPC power and EPC infrastructure for power and telecom.

Trade sales were Rs. 55.17 million in fiscal 2008, which related to EPC infrastructure for power and telecom. Trade sales were nil in fiscal 2007.

Contract and services income increased by Rs. 2,395.52 million or 114.89%, from Rs. 2,085.02 million in fiscal 2007 to Rs. 4,480.54 million in fiscal 2008. This increase was primarily due to new orders execution in EPC power and EPC telecom.

Revenues by Segment

EPC power: Total revenue from our EPC power segment increased by Rs. 2,093.96 million or 109.51%, from Rs. 1,912.10 million in fiscal 2007 to Rs. 4,006.06 million in fiscal 2008. Our EPC power segment has two sub-segments: EPC power transmission and EPC power distribution. Revenue from our EPC power transmission business decreased by Rs. 144.82 million or 47.29%, from Rs. 306.23 million in fiscal 2007 to Rs. 161.41 million in fiscal 2008. This decrease was due to the execution of the major value of a significant project in fiscal 2007. Revenue from our EPC power distribution segment increased by Rs. 2,238.78 million or 139.41% from Rs. 1,605.88 million in fiscal 2007 to Rs. 3,844.66 million in fiscal 2008. The increased revenue was attributable to an increase in sales due to the successful execution of various projects in our EPC power business.

EPC infrastructure for power and telecom: Total revenue from our EPC infrastructure for power and telecom segment increased by Rs. 735.29 million or 20.33% from Rs. 3,617.64 million in fiscal 2007 to Rs. 4,352.93 million in fiscal 2008.

Revenue from our EPC infrastructure for power business decreased by Rs. 511.44 million or 25.19% from Rs. 2,030.14 million in fiscal 2007 to Rs. 1,518.70 million in fiscal 2008. This decrease was primarily due to the execution of the major value of a significant project in fiscal 2007.

Revenue from our EPC infrastructure for telecom business increased by Rs. 1,246.73 million or 78.53% from Rs. 1,587.50 million in fiscal 2007 to Rs. 2,834.23 million in fiscal 2008. This increase was primarily attributable to an increase in sales caused by execution of new contracts received in the fiscal 2008 and also due to increased exports.

EPC telecom: Total revenue from our EPC telecom segment increased by Rs. 301.56 million or 174.39% from Rs. 172.92 million in fiscal 2007 to Rs. 474.48 million in fiscal 2008. The difference was attributable to increased sales caused by execution of projects in our EPC telecom business.

Communications and technology: Total revenue from our communications and technology division increased by Rs. 62.01 million or 3.61% from Rs. 1,716.76 million in fiscal 2007 to Rs. 1,778.77 million in fiscal 2008.

Revenue from our telecom equipment business increased by Rs. 114.29 million or 6.89% from Rs. 1,659.44 million in fiscal 2007 to Rs. 1,773.73 million in fiscal 2008. This increase was attributable to an increase in sales caused by the execution of new telecom projects in fiscal 2008.

Revenue from our defence equipment segment decreased by Rs. 52.28 million or 91.21% from Rs. 57.32 million in fiscal 2007 to Rs. 5.04 million in fiscal 2008. This decrease was primarily due to a delay in the finalization of tenders.

Renewable energy: Total revenue from our renewable energy division decreased by Rs. 74.56 million or 73.18% from Rs. 101.88 million in fiscal 2007 to Rs. 27.32 million in fiscal 2008. The difference was attributable to a decline in sales of solar modules.

Other Income

Our other income decreased by Rs. 29.49 million or 35.97% from Rs. 81.99 million in fiscal 2007 to Rs. 52.50 million in 2008. The difference was primarily attributable to decreases in income derived from gains from foreign exchange fluctuations.

Expenditure

Our total expenditure increased by Rs. 2,183.34 or 32.18% million from Rs. 6,785.30 million in fiscal 2007 to Rs. 8,968.64 million in fiscal 2008. This is attributable to a corresponding increase in sales.

Raw Materials Consumed

Our total raw materials consumed increased by Rs. 1,676.64 million or 30.58% from Rs. 5,481.97 million in fiscal 2007 to Rs. 7,158.61 million in fiscal 2008. This was mainly due to increased expenditure on purchases of raw materials caused by an increase in sales and in the cost of certain raw materials, primarily increase of consumption of mild steel materials by 2,565 MT, which increased our raw materials consumed by Rs. 443.62 million. As a percentage of total income, raw materials consumed was 66.95% in fiscal 2008 compared with 72.10% in fiscal 2007.

Manufacturing and Other Expenses

Our total manufacturing and other expenses increased by Rs. 347.10 million or 31.57% from Rs. 1,099.47 million in fiscal 2007 to Rs. 1,446.57 million in fiscal 2008. Other expenses in fiscal 2008 included a Rs. 67.88 million loss on the sale of our business that was undertaking the manufacture of jelly filled cables and optical fibre cables. As a percentage of total income, manufacturing and other expenses were 13.53% in fiscal 2008 compared with 14.46% in fiscal 2007.

Payments and Benefits to Employees

Our payments and benefits to employees increased by Rs. 68.22 million or 46.04% from Rs. 148.19 million in fiscal 2007 to Rs. 216.41 million in fiscal 2008. The increase was primarily attributable to additions to our staff, which was increased to provide manpower for additional projects in fiscal 2008 as well as to an overall increase in average salaries.

Increase / Decrease in Finished Goods and Work in Process

Our finished goods and work in process increased by Rs. 147.05 million in fiscal 2008 compared with an increase of Rs. 55.64 million in fiscal 2007.

Profit before Interest, Depreciation and Tax

Principally for the reasons described above, our profit before interest, depreciation and tax increased to Rs. 1,723.42 million in fiscal 2008 from Rs. 817.99 million in fiscal 2007, an increase of Rs. 905.43 million or 110.69%.

Interest and Finance Cost

Our interest and finance costs increased by Rs. 138.08 million or 51.36% from Rs. 268.84 million in fiscal 2007 to Rs. 406.92 million in fiscal 2008. This increase was primarily due to an increase in debt, which increased from Rs. 1043.15 million as at June 30, 2007 to Rs. 1,701.82 million as at June 30, 2008. As a percentage of total income, our interest and finance cost was 3.81% in fiscal 2008 compared with 3.54% in fiscal 2007.

Depreciation

Depreciation increased by Rs. 0.49 million or 0.89% from Rs. 54.97 million in fiscal 2007 to Rs. 55.46 million in fiscal 2008.

Profit Before Tax and Restatement

Principally for the reasons described above, our profit before tax and restatement increased by Rs. 766.86 million or 155.18% from Rs. 494.18 million in fiscal 2007 to Rs. 1,261.04 million in fiscal 2008.

Adjustments on Account of Restatement

Adjustments on account of restatement decreased profit before tax and exceptional items by Rs. 12.00 million in fiscal 2008 and Rs. 71.88 million in fiscal 2007. For details, see "Effect of Restatement Adjustments" below.

Exceptional Items

We had nil exceptional items in fiscal 2008 compared with an exceptional gain of Rs. 14.48 million in fiscal 2007, which related to recovery of loss from management undertaking the cable division transfer.

Tax Expense Restated

Our tax expense restated increased to Rs. 492.82 million in fiscal 2008 from Rs. 151.22 million in fiscal 2007, an increase of Rs. 341.60 million or 225.90%. Our effective tax rate in fiscal 2008 was 39.46% compared with the statutory rate of 33.99%. Our effective tax rate in fiscal 2007 was 34.62% compared with the statutory rate of 33.99%. Our effective rates of tax were higher than the statutory rate of tax due to deferment of the expenditure such as depreciation and expenditure under Section 43B of the Income Tax Act, 1961 and due to disallowance of certain expenses under the provisions of the Income Tax Act, 1961.

Profit After Tax, Exceptional Items and Restatement

Principally for the reasons described above, our profit after tax, exceptional items and restatement was Rs. 756.22 million in fiscal 2008, an increase of Rs. 470.66 million or 164.82% compared with Rs. 285.56 million in fiscal 2007.

Year Ended June 30, 2007 Compared to Year Ended June 30, 2006

Total Income

Our total income increased by Rs. 3,935.29 million or 107.29%, from Rs. 3,668.00 million in fiscal 2006 to Rs. 7,603.29 million in fiscal 2007.

Total Sales

Our total sales increased by Rs.3,911.69 million or 108.37%, from Rs. 3,609.61 million in fiscal 2006 to Rs. 7,521.30 million in fiscal 2007.

Sales of manufactured goods increased by Rs. 2,344.27 million or 75.82%, from Rs. 3,092.01 million in fiscal 2006 to Rs. 5,436.28 million in fiscal 2007. This increase was primarily due to the execution of new projects by our EPC power businesses and EPC infrastructure for power and telecom businesses.

Contract and services income increased by Rs. 1,567.42 million or 302.82%, from Rs. 517.60 million in fiscal 2006 to Rs. 2,085.02 million in fiscal 2007. This increase was primarily due to execution of new projects by our EPC power businesses and EPC telecom businesses.

Revenues by Segment

EPC power: Total revenue from our EPC power segment increased by Rs. 1,663.27 million or 668.44%, from Rs. 248.83 million in fiscal 2006 to Rs. 1,912.10 million in fiscal 2007. Revenue from our EPC power transmission business was Rs. 306.23 million in fiscal 2007 and nil in fiscal 2006. We only began our EPC power transmission business in fiscal 2006. Revenue from our EPC power distribution business increased by Rs. 1,357.04 million or 545.37% from Rs. 248.83 million in fiscal 2006 to Rs. 1,605.87 million in fiscal 2007. This increase was primarily attributable to an increase in sales caused by work carried out on various new power distribution projects we were awarded during fiscal 2007.

EPC infrastructure for power and telecom: Total revenue from our EPC infrastructure for power and telecom segment increased by Rs. 1,210.57 million or 50.29% from Rs. 2,407.07 million in fiscal 2006 to Rs. 3,617.64 million in fiscal 2007. This increase was primarily attributable to an increase in sales caused by supply of more materials in fiscal 2007 compared with fiscal 2006. Revenue from our EPC infrastructure for power business increased by Rs. 792.60 million or 64.05% from Rs. 1,237.54 million in fiscal 2006 to Rs. 2,030.14 million in fiscal 2007. Revenue from our EPC infrastructure for telecom segment increased by Rs. 417.97 million or 35.74% from Rs. 1,169.53 million in fiscal 2006 to Rs. 1,587.50 million in fiscal 2007.

EPC telecom: Total revenue from our EPC telecom segment decreased by Rs. 92.01 million or 34.73% from Rs. 264.93 million in fiscal 2006 to Rs. 172.92 million in fiscal 2007. The difference was attributable to decreased sales caused by completion of some of the projects in telecom business in fiscal 2006 and the lack of new contract awards in fiscal 2007.

Communications and technology: Total revenue from our communications and technology division increased by Rs. 1,165.61 million or 211.49% from Rs. 551.15 million in fiscal 2006 to Rs. 1,716.76 in fiscal 2007. Revenue from our telecom equipment business increased by Rs. 1,249.74 million or 305.04% from Rs. 409.70 million in fiscal 2006 to Rs. 1,659.44 million in fiscal 2007. This increase was primarily attributable to increased sales caused by the buoyant market for supply of telecom equipment in fiscal 2007. Revenue from our defence equipment segment decreased by Rs. 84.13 million or 59.48% from Rs. 141.45 million in fiscal 2006 to Rs. 57.32 million in fiscal 2007.

Renewable energy: Total revenue from our renewable energy division decreased by Rs. 35.75 million or 25.98% from Rs. 137.63 million in fiscal 2006 to Rs. 101.88 million in fiscal 2007. The difference was attributable to lower demand for our solar modules in fiscal 2007 compared with fiscal 2006.

Other Income

Our other income increased by Rs. 23.60 million or 40.42% from Rs. 58.39 million in fiscal 2006 to Rs. 81.99 million in fiscal 2007. The difference was primarily attributable to a Rs. 47.33 million in income from gains on foreign exchange fluctuations in fiscal 2007.

Expenditure

Our total expenditure increased by Rs. 3,502.45 million or 106.69% from Rs. 3,282.85 in fiscal 2006 to Rs. 6,785.30 million in fiscal 2007.

Raw Materials Consumed

Our total raw materials consumed increased by Rs. 2, 679.19 million or 95.59% from Rs. 2,802.78 million in fiscal 2006 to Rs. 5,481.97 million in fiscal 2007. The difference was mainly due to an increase in sales and a corresponding rise in consumption of raw materials. As a percentage of total income, raw materials consumed was 72.10% in fiscal 2007 compared with 76.41% in fiscal 2006. This increase was due in part to an increase in consumption of mild steel material of 11,266MT in fiscal 2007 compared to fiscal 2006, which increased raw materials consumed by Rs. 527.67 million.

Manufacturing and Other Expenses

Our manufacturing and other expenses increased by Rs. 447.41 million or 68.61% from Rs. 652.09 million in fiscal 2006 to Rs. 1,099.50 million in fiscal 2007. As a percentage of total income, manufacturing and other expenses was 14.46% in fiscal 2007 compared with 17.78% in 2006.

Payments and benefits to employees

Our payments and benefits to employees increased by Rs. 39.17 million or 35.93% from Rs. 109.02 million in fiscal 2006 to Rs. 148.19 million in fiscal 2007. The increase was primarily attributable to salaries, wages and bonus, which increased to Rs. 130.51 million in fiscal 2007 from Rs. 98.22 million in fiscal 2006, an increase of Rs. 32.29 million or 32.88%. The increase was primarily attributable to additions to our staff, which was increased to provide manpower for additional projects in fiscal 2007. As a percentage of total income, payments and benefits to employees were 1.95% in 2007 compared with 2.97% in 2006.

Increase / Decrease in Finished Goods and Work in Process

Our finished goods and work in process increased by Rs. 55.64 million in fiscal 2007 compared with a decrease of Rs. 281.04 million in fiscal 2006.

Profit before Interest, Depreciation and Tax

Principally for the reasons described above, our profit before interest, depreciation and tax increased by Rs. 432.84 million or 112.38% from Rs. 385.15 million in fiscal 2006 to Rs. 817.99 million in fiscal 2007.

Interest and Finance Cost

Our interest and finance costs increased by Rs. 131.75 million or 96.10% from Rs. 137.09 million in fiscal 2006 to Rs. 268.84 million in fiscal 2007. This increase was primarily due to an increase in debt, which increased from Rs. 662.12 million as at June 30, 2006 to Rs. 1043.15 million as at June 30, 2007. As a percentage of total income, our interest and finance cost was 3.54% in fiscal 2007 compared with 3.74% in fiscal 2006.

Depreciation

Depreciation decreased by Rs. 15.35 million or 21.83% from Rs, 70.32 million in fiscal 2006 compared with Rs. 54.97 million in fiscal 2007.

Profit Before Tax and Restatement

Our profit before tax and restatement increased by Rs. 316.44 million or 178.04% from Rs. 177.74 million in fiscal 2006 to Rs. 494.18 million in fiscal 2007.

Adjustments on Account of Restatement

Adjustments on account of restatement decreased profit before tax and exceptional items by Rs. 71.88 million in fiscal 2007 and Rs. 11.13 million in fiscal 2006. For details, see "Effect of Restatement Adjustments" below.

Exceptional Items

We had an exceptional gain of Rs. 14.48 million in fiscal 2007 and an exceptional gain of Rs. 32.91 million in fiscal 2006. The exceptional gain in fiscal 2007 and in fiscal 2006 was related to recovery of loss from management undertaking the cable division transfer.

Tax Expense Restated

Our tax expense restated increased to Rs. 151.22 million in fiscal 2007 from Rs. 59.04 million in fiscal 2006, an increase of Rs. 92.18 million or 156.13%. Our effective tax rate in fiscal 2007 was 34.62% compared with the statutory rate of 33.99%. Our effective tax rate in fiscal 2006 was 26.62% compared with the statutory rate of 33.99%.

Profit After Tax, Exceptional Items and Restatement

Principally for the reasons described above, our profit after tax, exceptional items and restatement was Rs. 285.56 million fiscal 2007, an increase of Rs. 122.82 million or 75.47% compared with Rs. 162.74 million in fiscal 2006.

Effect of Restatement Adjustments

Our financial statements for the 15 months ended September 30, 2009 and fiscal 2008, 2007 and 2006 have been prepared in compliance with Indian GAAP and standards issued by the Institute of Chartered Accountants of India and restated in accordance with the ICDR Regulations. In accordance with the ICDR Regulations, the restatement adjusts the income and expense items which are not accounted for in our financial statements under the respective periods they relate to, so that they are accounted for under the applicable periods. The effect of the restatement is presented below the profit after tax line item in the respective financial statements with no adjustment to the individual income and operating expense line items, and therefore, the discussion of the line items in this section above do not reflect the effect of adjustments due to the restatement.

The impact of adjustments to our financial statements are described below:

Particulars	**15 months period ended September 30, 2009**	**For the year ended June 30**			
		2008	**2007**	**2006**	**2005**
Net Profit after tax and after extra ordinary items as per audited financial statements	270.00	770.85	332.27	141.56	212.50
Add/Less Adjustments for					
a) Depreciation relating to earlier years	(0.21)	(0.17)	(0.17)	(0.17)	(0.17)
b) Others					
i) Sales Tax of earlier years written off credited / (debited) to expenditure	3.73	(1.74)	17.91	7.48	1.59
ii) Excess provision/credit balances written back	(0.39)	(10.09)	0.98	3.82	0.29
iii) Prior Period adjustments	(6.30)	-	6.30	-	-
iv) Provision for doubtful debts	-	-	(96.90)	-	-
Total Adjustments	(3.17)	(12.00)	(71.88)	11.13	1.71
Tax Effect on above	1.08	4.08	24.44	(3.75)	(0.58)
Income Tax of earlier year and refund	(7.82)	(6.71)	0.73	13.80	-
Total Adjustments (net of tax)	(9.91)	(14.63)	(46.71)	21.18	1.13
Restated Profit after tax	**260.09**	**756.22**	**285.56**	**162.74**	**213.63**

Adjustment of Depreciation Relating to Early Years

In fiscal 2002, the Company had imported plant and machinery on which the customs duty of Rs. 3.10 million in terms of licence issued by Software Technology Parks of India, Hyderabad was not capitalized. The same has been capitalized and the depreciation is provided for in the restated financial statements.

Adjustment of Sales Tax of Early Years Written Off

Sales tax written off in earlier years has been restated in respective years in the restated financial statements.

Adjustment of Excess Provision / Credit Balances Written Back

Excess provision / credit balances written back have been restated in the respective years in the restated financial statements.

Adjustment for Prior Period Taxes

We recorded tax provisions in earlier years which crystallized on completion of assessments made by the income tax authorities. Any difference was recorded as a credit or charge in our financial statements. Accordingly, the effect of these tax provisions has been adjusted to the period to which the tax related in the restated financial statements.

Provision for Doubtful debts

Provision has been made for the debtors considered doubtful in the respective periods in the restated financial statements.

Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and loans and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We had negative cash flow from operations of Rs. 806.93 million, Rs. 750.27 million and Rs. 349.29 million in the 15 months ended September 30, 2009, fiscal 2008 and fiscal 2007 and we financed our working capital and capital expenditure requirements primarily through financing from banks and other financial institutions in the form of term loans and working capital facilities and the issuance of Equity Shares and Preference Shares. Our business requires a significant amount of working capital and capital expenditure. In many cases, significant amounts of our working capital are required to finance the purchase of materials and the performance of our EPC contracts and other work before payments are received. Significant amounts of capital are also required to purchase plant and machinery for our operations. We believe that Net Proceeds along with our current cash on hand and undrawn down loan facilities will be sufficient to meet our working capital and capital requirements for at least the next 12 months.

Cash Flows

The table below summarizes our cash flows for the periods indicated:

(Rs. in million)

	15 Months Ended September 30, 2009	**12 Months Ended June 30, 2008**	**12 Months Ended June 30, 2007**	**12 Months Ended June 30, 2006**
Net cash generated from / (used in) operating activities	(761.44)	(750.27)	(348.66)	129.97
Net cash generated / (used in) investing activities	(298.78)	(245.40)	133.92	(206.10)
Net cash generated from / (used in) financial activities	1,333.87	1,112.40	305.80	121.36
Net increase / (decrease) in cash and cash equivalents...............	**273.65**	**116.73**	**91.06**	**45.23**

Cash Flows from / (used in) Operating Activities

Our net cash used in operating activities in the 15 months ended September 30, 2009 was Rs. 761.44 million, while our operating profit before working capital changes for that period was Rs. 1,400.42 million. The difference was primarily attributable to a decrease in trade and other receivables of Rs. 1,222.80 million, a decrease in inventories of Rs. 350.54 million, and a decrease in trade payables and other liabilities of Rs. 433.48 million.

Our net cash used in operating activities in fiscal 2008 was Rs. 750.27 million, while our operating profit before working capital changes for that fiscal year was Rs. 1,750.28 million. The difference was primarily attributable to a decrease in trade and other receivables of Rs. 4,308.79 million, which was partially offset by an increase in inventories of Rs. 43.13 million and an increase in trade and other payables of Rs. 1,809.56 million.

Our net cash used in operating activities in fiscal 2007 was Rs. 348.66 million, while our operating profit before working capital changes for that fiscal year was Rs. 890.98 million. The difference was mainly attributable to a decrease in trade and other receivables of Rs. 1,155.59 million, a decrease of Rs. 264.27 million of cash used in operations, which was partially offset by an increase in inventories of Rs. 53.33 million and a decrease in trade and other payables of Rs. 52.94 million.

Our net cash used from operating activities in fiscal 2006 was Rs. 129.97 million, while our operating profit before working capital changes for that fiscal year was Rs. 433.70 million. The difference was mainly attributable to a Rs. 1,206.15 million increase in trade payable and other liabilities, which was partially offset by a Rs. 935.67 million decrease in trade and other receivables and a Rs. 582.03 million decrease in inventories.

Cash Flows from / (used in) Investing Activities

Our net cash used in investing activities in the 15 months ended September 30, 2009 was Rs. 253.30 million, which primarily reflected Rs. 251.02 million used for capital expenditures, including advances paid for the purchase of fixed assets.

Our net cash used in investing activities in fiscal 2008 was Rs. 245.40 million, which primarily reflected Rs. 237.10 million used for capital expenditures, including advances paid for the purchase of fixed assets. We also received Rs. 1.73 million from a sale of fixed assets.

Our net cash from investing activities in fiscal 2007 was Rs. 134.54 million, which primarily reflected Rs. 327.00 million from the sale of fixed assets, which was partially offset by Rs. 193.08 million used for capital expenditures, including advances paid for the purchase of fixed assets.

Our net cash used in investing activities in fiscal 2006 was Rs. 205.70 million, which reflected Rs. 231.24 million used for capital expenditures, including advances paid for the purchase of fixed assets, which was partially offset by 25.14 million from a sale of fixed assets and Rs. 0.40 million from advances given to group companies / unincorporated bodies.

Cash Flows from/(Used in) Financing Activities

Our net cash from financing activities in fiscal 2009 was Rs. 1,333.87 million. This cash flow reflects Rs. 1,951.75 million in proceeds received from bank borrowings, Rs. 184.78 million received from other borrowings, and Rs. 25.91 million in interest received on deposits, which were partially offset by Rs. 827.24 million in interest and financing charges paid, and Rs. 1.33 million to repay the hire purchase loan.

Our net cash from financing activities in fiscal 2008 was Rs. 1,112.40 million. This cash flow reflects Rs. 104.71 million in proceeds received from bank borrowings, Rs. 699.93 million received from other borrowings, Rs. 210.00 million received from the issue of equity and preference capital, Rs. 625.62 million received as share premiums, Rs. 20.46 million from interest received on deposits and Rs. 1.15 million from hire purchase loans taken, which were partially offset by Rs. 406.92 million in interest and financing charges paid and Rs. 142.55 million in dividends paid.

Our net cash from financing activities in fiscal 2007 was Rs. 305.80 million. This cash flow reflects Rs. 383.86 million in proceeds received from bank borrowings, Rs. 166.12 million from other borrowings, and Rs. 27.49 million from interest received on deposits, which were partially offset by Rs. 268.84 million in interest and financing charges paid and Rs. 2.83 million in hire purchase loans repaid.

Our net cash from financing activities in fiscal 2006 was Rs. 121.36 million. This cash flow reflects Rs. 334.22 million received from bank borrowings and Rs. 4.62 million from interest received on deposits, which were partially offset by Rs. 137.09 million in interest and financing charges paid, Rs. 80.09 million in other borrowings repaid, and Rs. 0.30 million in hire purchase loans repaid.

Capital Expenditures

Our business requires a significant amount of working capital and capital expenditures. Significant amounts of working capital could be required to finance the purchase of materials and the performance of engineering, construction and other work on projects before progress payments are received from clients. Significant amounts of capital expenditures are required to purchase, maintain and update plants and equipment that are important to our provision of products and services in our businesses. Generally, payments from clients are linked to completion milestones or are made monthly, and are spread out over the execution period of the contract. Consequently, there could be situations where the total funds available may not be sufficient to fulfill our commitments, and hence we may need to incur additional indebtedness in the future or utilize cash flows from operations and other activities to satisfy our working capital and capital expenditure needs. We had negative cash flows from operations in the 15 months ended September 30, 2009, fiscal 2008 and fiscal 2007. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet working capital, capital expenditure and other requirements, there may be an adverse effect on our business and results of operations.

Our working capital requirements may increase to the extent that payment terms in our contracts include reduced advance payments, retention monies, back-ended payments, or are otherwise less favourable to us. Our working capital requirements have increased in recent years, because we have had to advance funds to complete projects and because of delays in payments owed to us by our customers. All of these factors may result, or have resulted, in an increase in the amount of our receivables and short-term borrowings. Continued increases in working capital and capital expenditure requirements may have an adverse effect on our financial condition and results of operations.

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

Sundry Debtors

(Rs. in million)

	15 Months Ended September 30, 2009	12 Months Ended June 30, 2008	12 Months Ended June 30, 2007	12 Months Ended June 30, 2006
Sundry Debtors (unsecured)				
Outstanding for more than six months:				
i. Considered good	2,104.80	650.42	839.69	340.28
ii. Considered doubtful	229.94	192.12	192.12	192.02
Other debts – considered good	4,320.69	5,630.65	2,638.12	1,690.12
Total	**6,655.43**	**6,473.19**	**3,669.93**	**2,222.42**
Less: Provision for doubtful debts	229.94	192.12	192.12	192.02
Total Debtors as restated	**6,425.49**	**6,281.07**	**3,477.81**	**2,030.40**

Total sundry debtors increased by Rs. 144.42 million or 2.30% in the 15 months ended September 30, 2009 compared with fiscal 2008. Debts outstanding for more than six months which were considered good increased by Rs. 1,454.38 million or 223.61% in the 15 months ended September 30, 2009 compared with fiscal 2008. Debts outstanding for more than six months which were considered doubtful increased by Rs. 37.82 million or 19.69% in the 15 months ended September 30, 2009 compared with fiscal 2008. Other debts, which are considered good, decreased by Rs. 1,309.96 million or 23.26% in the 15 months ended September 30, 2009 compared with fiscal 2008. Total debts increased by Rs. 182.24 million or 2.82% in the 15 months ended September 30, 2009 compared with fiscal 2008.

Total sundry debtors increased by Rs. 2,803.26 million or 80.60% in fiscal 2008 compared with fiscal 2007. Debts outstanding for more than six months which were considered good decreased by Rs. 189.27 million or 22.54% in fiscal 2008 compared with fiscal 2007. Debts outstanding for more than six months which were considered doubtful remained the same in fiscal 2008 and fiscal 2007. Other debts, which are considered good, increased by Rs. 2992.53 million or 113.43% in fiscal 2008 compared with fiscal 2007. Total debts increased by Rs. 2803.26 million or 76.38% in fiscal 2008 compared with fiscal 2007.

Total sundry debtors increased by Rs. 1,447.41 million or 71.29% in fiscal 2007 compared with fiscal 2006. Debts outstanding for more than six months which were considered good decreased by Rs. 499.41 million or 146.76% in fiscal 2007 compared with fiscal 2006. Debts outstanding for more than six months which were considered doubtful increased by Rs. 0.1 million or 0.05% in fiscal 2007 compared with fiscal 2006. Other debts, which are considered good, increased by Rs. 948 million or 56.09% in fiscal 2007 compared with fiscal 2006. Total debts increased by Rs. 1,447.51 million or 65.13% in fiscal 2007 compared with fiscal 2006.

The segment-wise and year-wise break-up of receivables as on September 30, 2009 is given in the table below:

Segment-Wise Analysis of Debtors as on September 30, 2009				
Segment	**Total**	**< 1 Year**	**1-2 Years**	**2-3 Years**
EPC Power	3,380.37	2,609.34	691.79	79.24
EPC Infrastructure for Power & Telecom	1,744.48	1,315.12	369.49	59.87
EPC Telecom	638.50	300.52	322.97	15.01
EPC other (water & waste water)	9.64	9.64	-	-
Communications & Technology	641.30	268.72	354.84	17.74
Renewable & Others	11.20	10.11	1.09	-
Total	**6,425.49**	**4,513.45**	**1,740.18**	**171.86**

Total Indebtedness

As at September 30, 2009, we had total outstanding indebtedness of Rs. 4,353.36 million, Rs. 2,802.56 million was for secured loans and Rs. 1,548.71 million was for unsecured loans. As at September 30, 2009, we had 13 secured loans, all of which are repayable on demand.

The following table sets forth our repayment obligations under the terms of our secured indebtedness as at September 30, 2009, except for cash credits and working capital loans:

(Rs. in million)

	Payments due during the year ending September 30,				
Indebtedness	**2010**	**2011**	**2012**	**2013**	**After 2013**
Secured loans	90.00	460.00	70.00	-	-
Secured loans for other fixed assets	98.40	98.40	98.40	3.30	-

All of our financing agreements contain conditions and restrictive covenants. For details, see the section titled "Indebtedness" beginning on page 142 of this Draft Red Herring Prospectus.

Contingent Liabilities

The table below sets out material contingent liabilities that have not been provided for as at September 30, 2009.

(Rs. in million)

Liabilities	
Liability towards irrevocable letters of credit established	631.01
Liability towards bank guarantee	5,661.16
Corporate guarantee given to bank & financial institutions for loans extended to one of the Company's wholly-owned subsidiary	30.02

Off Balance Sheet Commitments and Arrangements

We do not have any off balance sheet commitment or arrangements.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse charges in market prices, including commodities risk, interest rate risk and foreign currency exchange risk. We are exposed to each of these risks in the normal course of our business.

Commodities Risk

We closely follow our exposure to price fluctuations of commodities on a contract-by-contract basis. Most of our contracts provide for certain price variation clauses in an attempt to reduce the risks of price fluctuations, however, these provisions are not always sufficient to protect us against incurring losses if the prices of raw material or fuel we use in our operations increase significantly in the future.

Interest Rate Risk

We have fixed and floating rate indebtedness and thus we are exposed to market risk as a result of changes in interest rates. As at September 30, 2009, Rs. 4131.27 million or 94.94% of our total indebtedness consisted of variable rate debt obligations. We undertake debt obligations to support general corporate purposes including capital expenditures and working capital needs. Increases in interest rates increase the cost of new debt and the interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Equity Price Risk

Equity price risk arises when we are exposed to changes in the fair value of any traded equity instruments that we may hold due to changes in the equity markets. As at September 30, 2009, the book value of our traded equity investments was nil.

Foreign Currency Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. We report our financial results in Indian rupees, while some of our income and expenses are denominated, generated or incurred in currencies other than Indian rupees, including the Euro, the Yen and the U.S. Dollar. We also procure materials in foreign currencies. Further, the machinery we intend to purchase out of the Net Proceeds, which represents 16.61% of the Net Proceeds, is, and our future capital expenditures may be, denominated in currencies other than Indian Rupees. Therefore, a decline in the value of the Indian Rupee against such other currencies would increase the Indian rupee cost of making such capital expenditures thereby having a negative effect on our results of operations. The exchange rate between the Indian Rupee and the U.S. Dollar and the Euro has varied substantially in recent years and may continue to fluctuate significantly in the future. To date the Company has not engaged in currency hedging transactions.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Except as described in "Risk Factors", "Business", "Management's Discussion and Analysis of Standalone Financial Condition and Results of Operations" beginning on pages xiii, 76 and 154, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Except as described in "Risk Factors", "Business" and "Management's Discussion and Analysis of Standalone Financial Condition and Results of Operations", beginning on pages xiii, 76 and 154, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

The Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in income from sales during the 15 months ended September 30, 2009 and fiscal 2008, 2007 and 2006 are explained in this section entitled "Management's Discussion and Analysis of Standalone Financial Condition and Results of Operations" beginning on page 154.

New Products or Business Segments

Except as described in "Business" beginning on page 76, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

There are no material seasonal trends in our business.

Significant Dependence on a Single or Small Group of Suppliers or Customers

Please see "Factors Affecting our Results of Operations, Cash Flows and Financial Condition" in this section above on page 155.

Competitive Conditions

Please see "Business", "Industry" and "Risk Factors" beginning on pages 76, 63 and xiii, respectively.

Significant Developments after September 30, 2009

On March 15, 2010, KOTAK SEAF India Fund converted their 7 million Series A Preference Shares into 4,064,535 Equity Shares at a premium of Rs. 162.23 per Equity Share.

Except as stated above, there are no subsequent developments after September 30, 2009 that we believe are expected to have a material impact on our reserves, profits, and earnings per share or book value.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Save as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against the Company, our Directors and our Promoter and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions/small scale undertaking(s), over dues to any other creditor to whom the Issuer owes an amount exceeding Rs. 100,000 which is outstanding for more than 30 days, except in the ordinary course of business, defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, our Promoter or Directors.

Litigation involving the Company

Cases against the Company

Civil proceedings

1. A petition (O.M.P. 119 of 2009) dated February 11, 2009 has been filed by BSNL against the Company before the High Court of Delhi challenging an arbitration award dated November 6, 2008 in favour of the Company. Arbitration proceedings had been initiated by the Company against BSNL pursuant to an advance purchase order dated July 5, 2002 for the supply of WLL CDMA subscriber terminals wherein BSNL withheld an amount of Rs. 23.34 million claiming that the Company was not entitled to the same due to certain advantages that accrued to it pursuant to a reduction of the counter veiling duty payable by it on imports. The arbitrator held that the price quoted by the Company did not include the duty component and hence was entitled to the full amount of the contract. The matter is currently pending before the High Court of Delhi for hearing.

2. An appeal (O.P. 1872 of 2002) has been filed by the Union of India, Department of Telecom and others before the Chief Judge of the City Civil Court at Hyderabad challenging an arbitration order dated June 15, 2002. Arbitration proceedings had been initiated by the Company pursuant to a breach by the Department of Telecom of the terms of theagreement for supply of 2/15 VHF MARR systems dated March 6, 1995. The arbitrator held that the Company was entitled to a claim of Rs. 34.46 million together with interest of 12% p.a. till the date of realization. The matter is currently pending and the next date of hearing is scheduled for April 29, 2010.

3. A Workmen's Compensation Case (42 D/2009) has been filed before the Court of the Commissioner of Workmen's Compensation and Assistant Labour Commissioner, Cuttack by Jyosthnamayee Jena against the Company and others seeking compensation of Rs. 0.45 million along with interest at the rate of 12% p.a. for the death of D.K. Jena, a workman employed by the Company while on official duty. The next date of hearing is scheduled for April 22, 2010.

4. A case (70B/2009) has been filed before the District Sessions Court at Bhopal by Pyramid Infracons Limited (the "Claimant") against the alleged non-payment of certain amounts due by the Company to the Claimant for certain works undertaken by the Claimant for the Company. The total amount claimed is Rs. 0.67 million along with interest. The next date of hearing is scheduled for May 12, 2010.

5. A suit (109/01) has been before the Upper District Judge, Jaipurnagar, Jaipur by Shyam Tele Link Limited ("**STL**") against the Company. The Company received a purchase order (STL/PUR/JPR/0102) dated May 19, 1998 from STL for erecting and installing certain telecommunication towers in the State of Rajasthan by November 16, 1998 for Rs. 20 million.

STL claimed that the Company was given an advance sum of Rs. 10 million for the said installation and as the Company did not complete the said installation within the scheduled time, it cancelled the aforementioned purchase order on March 9, 1999 and demanded repayment of the advance amount. Further, STL issued another purchase order (STL/PUR/0166) dated March 27, 2000 pursuant to which it wanted to adjust the advance amount given under the order dated May 19, 1998. STL further paid an additional sum of Rs. 5 million to the Company, but alleged that the Company again failed to complete its work under this order. The Company denied these allegations in its reply and stated that they had not received any consideration for the aforementioned purchase orders and that the consideration received by the Company was for a different transaction. The Company filed a counter claim stating that STL owed the Company Rs 1.60 million under two other purchase orders. The court by its order dated March 11, 2008 allowed the counter claim and dismissed the plaint. STL filed an appeal (292/2008) against the above judgment before the High Court of Rajasthan in September, 2008 for recovery of Rs. 13.39 million for the Company and for a stay of the order of the District Judge. The matter is currently pending before the High Court of Rajasthan, and the next date of hearing is yet to be fixed.

6. The Company entered into a contract dated January 29, 1994 with BSNL for the supply of 150 numbers of 80 meter tubular towers. Pursuant to the same certain disputes arose and bank guarantee amounting to Rs. 6.81 million that was furnished to BSNL was encashed and the contract was foreclosed. The Company initiated arbitration proceedings pursuant to which the arbitrator in its award dated December 30, 2002 held BSNL liable to pay a sum of Rs. 20.89 million together with interest till the date of passing the award and thereafter at the rate of 15% till the date of the payment for breaching the terms of the contract and encashing the bank guarantee. Subsequently, BSNL filed an appeal (O.P. 915 of 2003) before the Chief Judge, City Civil Court at Hyderabad which in its order dated November 10, 2005 upheld the order of the arbitrator. An appeal (No. 641 of 2006) was subsequently filed by BSNL before the High Court of Andhra Pradesh, which by its common order dated November 28, 2008 upheld the decision dated November 10, 2005. BSNL subsequently filed a review petition before the High Court of Andhra Pradesh which by its order dated November 16, 2009 has remitted the matter before the respective bench. The next date of hearing is yet to be fixed.

Tax proceedings

1. The Company has received three showcause notices between December 18, 2007 and January 28, 2008 from the Commissioner of Customs (Sea Port), Chennai alleging mis-classification of goods imported by the Company as parts of integrated fixed wireless telephones ("**IFWT**") instead of parts of switch mode power supply ("**SMPS**") and hence liable to pay differential duty of Rs. 13.63 million along with applicable interest. The Company in its reply stated that it is entitled to claim exemption as the goods imported are parts of IFWT. The next date of hearing is yet to be fixed. .

2. The Company has received a demand notice dated July 11, 2008 from the Commissioner of Customs (Sea Port), Chennai alleging mis-classification of goods imported by the Company through a bill of entry (No. 735113) dated May 07, 2008 as parts of IFWT instead of 12V 7Ah Valve regulated lead Acid VRLA batteries and hence liable to differential duty of Rs. 0.95 million. The Company in its reply dated September 9, 2008 stated that it is entitled to claim exemption as the goods are imported for the manufacture of SMPS for the supply of IFWTs. The next date of hearing is yet to be fixed.

3. The Company has received a demand cum showcause notice dated May 16, 2008 from the Commissioner of Customs (Sea Port), Chennai alleging mis-classification of goods imported by the Company vide bills of entry (No. 395194) dated February 9, 2007 and (No. 390025) dated February 2, 2007 as parts of IFWT instead of lead acid batteries and hence liable to differential duty of Rs. 8.76 million. The Company in its reply dated September 30, 2008 stated that it is entitled to claim exemption as the goods are imported for the manufacture of SMPS for the supply of IFWTs. The next date of hearing is yet to be fixed.

4. The Company has received a showcause notice dated October 15, 2009 from the Commissioner of Customs and Central Excise, Hyderabad alleging that the Company short

paid service tax upto an amount of Rs. 3.25 million from April 2008 to March 2009 by wrongly categorizing its services as 'commercial' or 'industrial construction services' and hence is liable to pay Rs. 3.25 million as service tax along with interest and penalties. The Company in its reply dated February 2, 2010 stated that that the contracts for supply were composite contracts and hence abatement of tax could be made. The next date of hearing is yet to be fixed.

5. The Company has received a showcause notice dated November 21, 2008 from the Assistant Commissioner of Customs and Central Excise, Hyderabad stating that the Company is ineligible for availing CENVAT credit Rs. 0.08 million from January 2005 to March 2007 on outward freight from its factory situated at Cherlapally and hence seeks to recover the same. The Company in its reply dated February 18, 2009 has stated that the CENVAT credit is available to them with respect to freight paid from factory up to the point of either a depot or consignment agent. The next date of hearing is yet to be fixed.

6. The Company has received a show cause notice dated December 18, 2008 from the Commissioner of Customs and Central Excise, Hyderabad stating that the Company is ineligible for availing CENVAT credit on outward freight from its factory situated at Nagaram. The overall credit taken is for a sum of Rs. 6.84 million taken from January 2005 to April 2007 and to show cause as to why the same should not be recovered along with interest and penalty. The Company in its reply dated February 17, 2009 has stated that the CENVAT credit is available to them with respect to freight paid from factory up to the point of either a depot or consignment agent. The next date of hearing is yet to be fixed.

7. The Company has received four notices between October 6, 2008 to October 13, 2008 from the Customs House, Rajaji Salai, Chennai alleging non-payment of Rs. 15.87 million due to the non-levy of special counter veiling duty due to mis-classification of certain IFWTs imported by the Company and hence is liable to pay. The Company in its reply dated January 31, 2009 stated that that since all the parts comprising the IFWT were not imported in the individual bills of entry, the same would not be liable to the duty. The next date of hearing is yet to be fixed.

8. The Company has received a showcause notice dated June 19, 2008 from the Directorate of Revenue Intelligence (Zonal Unit), Chennai alleging misclassification of certain goods imported by classifying them as hardware for VMUXs, DXCs, NTUS of various configurations and Application Software for VMUXs, DXCs, NTUS and not as modems, versatile multiplexers and digital cross connect systems and hence is liable to pay a differential duty of Rs. 42.31 million. The notice further seeks Sumanth Paturu to show cause as to why a penalty should not be imposed on the Company under the Customs Act, 1962, for acts of commission and omission. The Company in its reply dated December 12, 2008 stated that the goods imported were correctly classified and that it was not liable to pay a differential amount. The next date of hearing is yet to be fixed.

Criminal Litigation

A case (No. 66/S of 2003) has been filed before the court of the Metropolitan Magistrate, 27th Court at Mulund, Mumbai, by Tarachand Dedhia ("**Complainant**") against the Company and its Directors and authorized signatories of the Company under section 138 and 142 of the Negotiable Instruments Act, 1881 and under section 420 of the Indian Penal Code, 1861 for dishonour of five cheques amounting to Rs. 0.58 million given to the Complainant as payment for certain works carried out by him for the Company at certain sites in Mumbai. The next date of hearing is scheduled for June 30, 2010.

Land Disputes

A case (LGC No. 15 of 2008) has been filed before the Special Court under Andhra Pradesh Land Grabbing (Prohibition) Act, 1982 by P. Jagannadha Rao (the "Claimant") against the Company alleging land grabbing of the Claimant's property situated at Nagaram Village in Keesara Mandal of Andhra Pradesh by the Company. The suit seeks to declare the Company as land grabbers under the provisions of the Andhra Pradesh Land Grabbing (Prohibition) Act, 1982 along with restoration of the disputed property, admeasuring 250 sq. yards. The hearings in this matter have been completed and the order is awaited.

Cases filed by the Company

Civil Proceedings

1. On June 6, 1995, the Company entered into a Memorandum of Understanding with Shyam Telecom ("**STL**"), Harris Corporation and Lintech Limited pursuant to which a company, Telelink Networks India Limited ("**Telelink**"), was incorporated for the purpose of bidding for a tender issued by the Department of Telecom to provide basic telephone services for different telecom circles. The shareholding pattern of Telelinks was 43%, 37%, 10% and 10% owned by STL, ARM Limited, Lintech and Harris Corporation respectively. Subsequently, the Company entered into a divestment agreement with STL for the divestment of its 37% in Telelink for a consideration of Rs. 150.1 million and the said agreement was amended subsequently. Payment for the same was to be made in three tranches and in case the payments were not made within 27 months, then STL could transfer such equity of Telelink or any of its holding companies which held equity in Telelink of a value equivalent to the balance outstanding value of the deferred payout at a nominal consideration of Rs. 0.1 million to the Company.

   STL made payment for amounts of Rs. 3.5 million but stopped payments thereafter. The Company commenced arbitration proceedings pursuant to the order of the High Court of Delhi dated June 22, 2001, wherein STL was restrained from creating any third party interest in respect of the mortgaged assets and shares and also provided for the appointment of an arbitrator. The overall claim of the Company in the arbitration proceedings was a sum of Rs. 130 million and that the payments of Rs. 15 million by STL to the Company were made for the purposes of another contract entered into with the Company along with 15% interest at quarterly rests and pendente lite interest. As an alternative to the above claim, a claim for Rs. 115 million along with 15% interest at quarterly rests and pendent elite interest has also been filed in case the payment of Rs. 15 million is taken to be pursuant to the divestment agreement.

   STL then filed a Special Leave Petition (SLP (Civil) 18358-59 of 2008) with the Supreme Court of India dated July 7, 2008 challenging the order of the division bench of the High Court of Delhi dated May 30, 2008 which required arbitration proceedings to continue until completion. STL claimed that, inter alia, as per the terms of the agreement, the arbitration proceedings were to be completed within six months of their commencement and since the same was not completed, arbitrator did not have jurisdiction to hear the matter. The Supreme Court by its order dated July 25, 2008 held that the arbitration proceedings be allowed to continue but no order be passed until further orders of the Supreme Court. The next date of hearing of the arbitration is April 30, 2010 and the next date of hearing before the Supreme Court is yet to be fixed.

2. The Company has initiated arbitration proceedings (454/2006) against BSNL pursuant to the demand for recovery of Rs. 33.87 million by BSNL claiming that the payments were made in excess to the Company for a purchase order for the supply of WLL CDMA equipment dated January 27, 2003. The demand for recovery was made by BSNL alleging a reduction in the duty payable for the import of base station controller and base trans-receiver station which led to increased profits for the Company. The Company in its reply claimed that the reduction in duty had already been taken into account while finalizing the price for the equipment sought an injunction to prevent BSNL from setting off the said amounts from any other bills payable to the Company by it, until the completion of the proceedings. The hearings in this matter have been completed and the order is awaited.

3. The Company has initiated arbitration proceedings against BSNL in July 2007 pursuant to alleged non-payment of contractual rates by BSNL in relation to a purchase order dated September 9, 2002 for the supply of Fixed Wireless Transmitters ("**FWT**"), for refund of amounts claimed by BSNL as liquidated damages owing to an alleged delay in the delivery of the goods and a claim on account of proposed recoveries being actuated by BSNL amounting to Rs.33.49 million and interest. BSNL has filed a counter reply to the above claim stating that

they are entitled to recover excess payments made by them with respect to the FWTs for a sum of Rs. 57.76 million along with interest at the rate of 18%. The hearings in this matter have been completed and the order is awaited.

4. The Company has initiated arbitration proceedings dated July 1, 2005 against BSNL pursuant to the encashment of a bank guarantee of Rs. 2.27 million given to BSNL in relation to a contract for supply of optic fibre line terminating equipments and associated equipments thereto. The said bank guarantee was encashed by BSNL alleging untimely supply of the equipment by the Company, which the Company has claimed occurred due to non supply of consignee details by BSNL. The hearings in this matter have been completed and the order is awaited.

5. The Company entered into a contract dated October 28, 1993 with BSNL for the supply of 46 numbers of 60 meter towers by February 28, 1994. Pursuant to the contract certain disputes arose and the bank guarantee that was furnished to the BSNL pursuant to the contract was encashed and the contract was foreclosed. The Company initiated arbitration proceedings pursuant to which the arbitrator by an award dated December 30, 2002 held BSNL liable to pay a sum of Rs. 2.43 million together with interest at the rate of 12% per annum from November 25, 2000 till date of passing the award and thereafter at the rate of 15% till the date of the payment for breaching the terms of the contract and encashing the bank guarantee. The above award was reversed by the XIV Additional Chief Judge, City Civil Court, Hyderabad in matter number 916 of 2003 dated November 18, 2005, stating that the Company had breached the contract and not BSNL, by not supplying the towers on time. Pursuant to this, the Company filed an appeal (CMA 202 of 2006) before the High Court of Andhra Pradesh, which by its common order dated November 28, 2008 upheld the decision of the lower court. Subsequently, the Company filed a review petition before the High Court which by its order dated November 16, 2009 has remitted the matter before the respective bench. The next date of hearing is yet to be fixed.

6. The Company has served a notice dated January 6, 2010 upon Maytas Infra Limited ("**Maytas**") and others pursuant to a subcontract agreement dated January 3, 2007 between the Company and Maytas for the rural electrification works under the Rajiv Gandhi Grameen Vidyutikaran Yojana Scheme in the State of Madhya Pradesh allotted by PGCIL for inland transportation, insurance, loading, handling, testing, erection and commissioning of all equipments for the rural electrification of Azamgarh, Mau and Balai districts. The notice states that as per the terms of the agreement, Maytas was to execute the works on a "Back to Back" basis and within the timelines stated by the PGCIL. The Company has alleged that Maytas abandoned the work and that the Company was forced to complete the same and regularize the work and claimed Rs. 93.12 million. In its reply dated March 14, 2010, while refuting the claims made by the Company, Maytas has stated that the Company was liable to pay Rs. 36.6 million for the work carried out by it and threatening legal proceedings if the same is not paid to it within a period of ten days from the date of receipt of the notice.

7. The Company has filed a writ petition (W.P. No. 25322 of 2006) dated December 3, 2006 before the High Court of Andhra Pradesh against the Government of Andhra Pradesh and others pursuant to a caution notice dated January 27, 2004 issued to the public not to purchase plots in certain layouts, including areas adjoining the premises of the factory of the Company situated at Nagaram, by the Hyderabad Urban Development Authority. The petition seeks to enforce the caution notice stating that certain permissions were granted for the construction of houses in the industrial use zone and that the same cannot be utilized for residential purposes. The High Court in an interim order dated December 15, 2006 directed the relevant authorities not to sanction any lay out or grant any permission for construction of residential houses in the impugned area for a period of six weeks. The matter is currently pending and the next date of hearing is yet to be fixed.

Tax proceedings

1. The Company has filed an appeal (C/299/2008) before the CESTAT at Chennai against the Commissioner of Customs, Seaport (Import) Chennai pursuant to the order of the Commissioner of Customs, Seaport (Import) Chennai which held that Company liable to pay

Rs. 4.74 million as customs duty along with a fine for Rs. 1.5 million and a penalty of Rs. 8 million for mis-classification of 12V/7AH VRLA batteries of IFWTs unit imported by the Company. A stay order dated December 11, 2008 was passed by the CESTAT against the above order. The next date of hearing is on May 20, 2010.

2. The Company has filed an appeal (C3/93/D/2009-Sea) before the Commissioner of Customs (Appeals), Chennai against the order of the Deputy Commissioner of Customs, Chennai (the "Deputy Commissioner") which held that the Company was liable to pay an import duty of Rs. 8.96 million along with interest, for the mis-classification of certain goods imported by it by bill of entry (No. 399274) dated February 16, 2007. The appeal has been filed on grounds which include, inter alia, that the goods were liable to duty exemption as they were parts of IFWTs and that the Deputy Commissioner exceeded his jurisdiction in passing the order. The next date of hearing is yet to be fixed by the Commissioner.

3. The Company has filed an appeal (T.A. No. 54 of 2007) before the Sales Tax Appellate Tribunal, Andhra Pradesh ("**STAT**") against an order of the Assistant Commissioner (CT), LTU (the "Commissioner") at Hyderabad which held the Company liable to pay a total sum of Rs. 8.71 million as tax and that the Company reduced its tax liability without filing statutory forms and documentary evidence, in this case 'G' forms for the sales of antenna, radio and towers, for claiming exemption under double taxation for works contracts executed within the State and for tax on a difference in turnover shown in the form filed with the tax authorities and annual report of the Company. The appeal has been filed contending amongst other things that the 'G' forms were not filed in time owing to non receipt of the concerned forms from the Company's customers. A Writ Petition (No. 3808 of 2007) was also filed by the Company before the High Court of Andhra Pradesh seeking stay of the above order. The High Court by its order dated February 27, 2007 granted a stay of the order of the Commissioner subject to deposit of half of the disputed tax amount. The Company has paid Rs. 5.98 million. The next date of hearing is July 26, 2010.

4. The Company has filed an appeal (T.A. No. 584 of 2007) before the Sales Tax Appellate Tribunal, Andhra Pradesh ("**STAT**") against an order of the Assistant Commissioner (CT), LTU (the "Commissioner") at Hyderabad for the assessment year 2000-01 which held the Company liable to pay a total sum of Rs. 4.99 million as tax, stating that the Company reduced its tax liability without filing statutory forms and documentary evidence, in this case 'C', 'D' and 'E1' forms (the "Forms") for transit and inter-state sale of certain of its products. The appeal has been filed contending amongst other things that the Forms were not filed in time owing to non receipt of the same from the Company's customers. The total amount disputed in the appeal is Rs. 7.15 million. A Writ Petition (3769 of 2007) was also filed by the Company with the High Court of Andhra Pradesh seeking stay of the above order. The Court by its order February 27, 2007 granted a stay of the order of the Commissioner subject to deposit of half the disputed tax amount. The Company has paid 2.50 million. The next date of hearing is April 1, 2010.

5. The Company has filed a petition on November 2, 2009 with the CESTAT at Bangalore against the Commissioner of Customs, Central Excise and Service Tax, Hyderabad pursuant to an order in a case (11/2009-ST-ADJN-HYD-III-ADJN-COMMR) dated July 30, 2009 of the Commissioner of Customs, Central Excise and Service Tax at Hyderabad which held that the Company had evaded service tax amounting to Rs. 24.77 million on services of erection, commissioning or installation rendered by them from October 1, 2005 upto March 31, 2008 by way of irregular availment of abatement under Notification No. 19/2003 ST dated August 21, 2003 and Notification No. 1/2006 – S.T. dated March 1, 2006 and in contravention of the provisions of the Finance Act, 1994 and held the Company liable to pay the said amount along with penalties amounting to Rs. 24.77 million. The appeal has been filed amongst others, on the grounds that the Company was a supplier in terms of the said notifications and thereby entitled to the abatement. The next date of hearing is yet to be fixed.

6. The Company has filed an appeal on January 6, 2010 before the CESTAT at Bangalore pursuant to an order of the Commissioner of Central Excise and Customs, Vishakapatnam (the "Commissioner") dated May 1, 2009 wherein the Company was held liable to pay duty on certain Frequency Hopping Time Division Multiple Access equipment that was supplied by

the Company to Bharat Electronics Limited pursuant to a purchase order dated December 20, 2005 as the Exemption Notification dated March 16, 1995 which exempted the goods from tax was not in force from June 2006 to August 2006, which was the time of clearing of the goods as a result of which the Company could not claim any benefit under it. The total amount held payable by the Company is Rs. 13.95 million with interest and a penalty of Rs. 13.95 million. The Company has claimed that the exemption available to the Company cannot be denied because the exemption was not deliberately discontinued by the Government and that it was only an oversight on the part of the Government which led to the exemption not being renewed. The next date of hearing is yet to be fixed.

7. The Company, Sumanth Paturu and Brigadier Krishna Nandan have filed appeals (861, 862 and 863 of 2006) before the CESTAT, West Zone Bench, Mumbai pursuant to an order of the Commissioner of Customs (Import), Mumbai (the "Commissioner") dated March 29, 2006 which held the Company liable for mis-declaration of certain Dense Wavelength Division Multiplexing equipment ("**DWDM**"), which was imported by the Company pursuant to a contract entered into with BSNL and that the Company was liable to pay a differential duty of Rs. 280 million on the hardware component of the equipment fixed by the Company. It was also ordered that the goods be confiscated and be redeemed on the payment of Rs. 10 million by the Company. The order further rejected the value which was declared for the software component of the equipment fixed by the Company and confirmed the demand for a differential duty based on the bills of entry for the equipment. The order also imposed penalties of Rs. 10 million, Rs. 0.2 million and Rs. 0.1 million on the Company, Brig. Krishna Nandan and Sumanth Paturu. Stay Applications (Nos. C/2252, 2253 and 2254 of 2006) were filed by the Company, Brig. Krishna Nandan and Sumanth Paturu with the CESTAT against the order of the Commissioner pursuant to which the CESTAT stayed the pre deposit of the balance amount as ordered by the Commissioner upon payment of Rs. 60 million. A writ petition was filed by the Company challenging the order of the CESTAT before the High Court of Bombay which reduced the amount to Rs. 10 million towards basic customs duty by its order dated February 22, 2007. The said amount has been paid by the Company. The appeals have been filed before the CESTAT on the grounds that the order of the Commissioner were not sustainable in law, that all material evidence was not recorded while passing the order and that the penalties imposed against the Company and its directors were unreasonable. The next date of hearing is yet to be fixed.

8. The Company, Sumanth Paturu and Brig. Krishna Nandan, have filed appeals (67, 68 and 69 of 2006) before the CESTAT, South Zonal Bench, Bangalore pursuant to an order of the Commissioner of Customs and Central Excise (the "Commissioner") dated September 29, 2006 which rejected the Company's classification of DWDM equipment as parts and thereby claiming duty exemption. The order also rejected the value which was declared for the hardware and software components of the equipment fixed by the Company and confirmed the demand for a differential duty of Rs. 13.89 million to be paid on the goods by the Company and also adjusted the said amount against a bank guarantee for a sum of Rs. 12.37 million that was encashed by the customs authorities. It was also ordered that the goods be confiscated and be redeemed on the payment of Rs. 0.69 million by the Company and further penalties of Rs. 1.39 million, Rs. 0.69 million and Rs. 0.69 million on the Company, Brig. Krishna Nandan and Sumanth Paturu respectively. The next date of hearing is yet to be fixed

9. The Company has filed an appeal before the CESTAT at Chennai against the Commissioner (Appeals), Chennai on February 2, 2010 pursuant to the order of the Commissioner (Appeals) dated November 6, 2009 (in CC 1353 of 2009) which held the Company liable to pay a sum of Rs. 11.92 million as customs duty for certain equipment imported by it. The appeal has been filed on the grounds that the goods imported were parts of International Private Leased Circuits and Lawful Interception Monitoring networking system and hence not liable to tax. The next date of hearing is yet to be fixed.

10. The Company filed three appeals before the Deputy Commissioner of Sales Tax, Appeals P-II, Mumbai against the order of assessment, interest and penalty for the financial years 2000-2001, 2001-2002, and 2002-2003 assessed by Assistant Commissioner of Sales Tax (the "Assistant Commissioner") under the Maharashtra Sales Tax on the Transfer of Property in Goods involved in the Execution of Works Contracts (Reenacted) Act, 1989 (the "Works

Contracts Act"). The appeal has been filed on the grounds that the Assistant Commissioner erred in not allowing deduction for tax element under the Bombay Sales Tax Rules, 1959 ("**BST Rules**"), for levying exorbitant interest under sections of the Bombay Sales Tax Act, 1959, in the assessment which was initiated after a considerable lapse of time resulting in levy of large amounts by way of interest and in not giving reasonable time to produce necessary evidence for deductions as claimed by the Company. The total amount involved in these cases is 2.2 million. The next date of hearing is yet to be fixed.

Criminal proceedings

The Company has filed two cases (3089 and 3090 of 2008) against Best and Crompton Engineering Projects Limited ("**BCEL**") before the Court of the IX Additional Chief Metropolitan Magistrate at Hyderabad under section 138 of the Negotiable Instruments Act, 1881 for dishonour of three cheques amounting to Rs. 4.31 million given to the Company by BCEL as payment for execution of works relating to the Madurai Trivandrum transmission line at Tirunelveli. The next date of hearing is March 31, 2010.

Litigation affecting the Company

A case (WC 3/2010) has been filed by Antaryami Behera before the Commissioner under the Workmen's Compensation Act cum Assistant Labour Commissioner, Angul against amongst others, the Managing Director of the Company seeking compensation of Rs. 0.6 million, with interest, for the permanent disablement of Antaryami Behera, an employee of the Company, while on official duty. The matter is currently pending and the next date of hearing is scheduled for April 26, 2010.

Litigation involving the Subsidiaries

Litigation against IILPL

A notice dated February 9, 2010 was sent to IILPL by Kahawalage Kapila Kumara Kalintha. The notice has been sent by him stating that certain amounts were due to him from IILPL pursuant to works carried out by him on time for IILPL under a contract dated May 28, 2009 between Kahawalage Kapila Kumara Kalintha and IILPL for civil tower construction work and that IILPL owed him a sum of LKR 0.74 million. IILPL, in its reply dated March 10, 2010 has stated that certain of its employees had misappropriated certain sums of money and that the said claim would have to be verified and to this end requested that all documents pursuant to the above contract be submitted.

Litigation involving the Directors

Nil.

Litigation involving the Group Companies

Litigation by Isitva Fasteners Limited

1. Isitva Fasteners Private Limited ("**IFPL**") has issued a notice dated January 6, 2010 to T. Veeraswamy pursuant to the non payment of Rs. 1.16 million by Veeraswamy for the supply of certain material by IFPL. The notice demands the repayment of the due amount along with 2% interest, failing which, IFPL would initiate legal proceedings.

2. Isitva Fasteners Private Limited has served a legal notice dated January 6, 2010 upon GR Power Switchgear Limited and certain of its directors (the "**Noticees**") pursuant to the non payment of Rs. 0.79 million, which IFPL claims are due, pursuant to a purchase order dated January 17, 2009, for the supply of hot dip galvanized bolts and nuts, plain washers and spring washers. The dispute pertains to certain alleged delays in the supply of the goods under the purchase order which IFPL claims arose due to the errors in the purchase order. The notice demands the repayment of Rs. 0.79 million along with interest calculated at 2% per annum. In their reply dated January 14, 2010, the Noticees have stated that the notice is false and fabricated and is for the illegal benefit of the IFPL and that non supply of the goods under the contract caused heavy financial loss the Noticees.

Litigation by Isitva Steel Limited

1. Isitva Steel Limited has filed two complaints (CC No. 27 of 2009 and CC No. 329 of 2009) before the XVII Additional Chief Metropolitan Magistrate at Hyderabad against T. Veeraswamy under section 142 of the Negotiable Instruments Act, 1881. The complaints have been filed pursuant to the dishonour of 6 cheques for an amount of Rs. 5.81 million issued by Veeraswamy to ISL pursuant to the supply of M.S. Angles by ISL. The next date of hearing is June 19, 2010.

Litigation involving Promoter

Nil.

Material Developments since the Last Balance Sheet Date

In the opinion of the Board, other than as disclosed in this Draft Red Herring Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities over the next twelve months. See also, "Management's Discussion and Analysis of Standalone Financial Condition and Results of Operations" on page 154 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

I. Approvals for the Issue

Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on March 15, 2010, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

2. Our shareholders have, pursuant to a resolution dated March 18, 2010 under Section 81(1A) of the Companies Act, authorised the Issue.

3. The board of directors of the Selling Shareholder at its meeting held on March 14, 2010 approved the Offer for Sale.

Approval from the Stock Exchanges

1. In-principle approval from the National Stock Exchange of India Limited dated [●].

2. In-principle approval from the Bombay Stock Exchange Limited dated [●].

Other Approvals

1. Approval of the RBI shall be sought by the Selling Shareholder, for the transfer of Equity Shares forming a part of the Offer for Sale in this Issue in compliance with FEMA Regulations.

II. Incorporation Details of the Company

1. Certificate of Incorporation dated January 30, 1989 issued to the Company under the name Advanced Radio Masts Private Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

2. Fresh Certificate of Incorporation dated July 31, 1992 issued to the Company upon change of name to Advance Radio Masts Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

3. Fresh Certificate of Incorporation dated September 15, 1995 issued to the Company upon change of name to ARM Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

4. Fresh Certificate of Incorporation dated November 12, 2002 issued to the Company upon change of name to ICOM Tele Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

5. Fresh Certificate of Incorporation dated February 06, 2003 issued to the Company upon change of name to ICOMM Tele Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

III. Approvals to carry on our Business

1. Registration certificate (123/2006) dated September 18, 2006 as Infrastructure Provider Category-I (IP-I) granted by Department of Telecommunications, Ministry of Communications & Information Technology, Government of India.

2. Telecom license (1611/SIA/IMO/2001) dated July 23, 2001, granted by the Ministry of Commerce & Industry, Government of India for (a) Manufacture of Transmission Apparatus for Radio Telephony, Radio Telegraphy, whether or not incorporating Reception Apparatus or Sound Recording or Reproducing Apparatus; Fixed Transmitters and Transmitter-Receivers Radio Telephony Apparatus, (b) Manufacture of Apparatus for Radio Broadcasting, Television Transmission, Radar Apparatus and Radio –Remote Control Apparatus and Apparatus for Radio/Line Telephony and Line Telegraphy, and (c) Manufacture of Apparatus for Line Telephony including such Apparatus for Carrier-Current Line Systems includes Manufacture or Telephone Sets, Automatic and Non-Automatic Switch Boards and Exchanges, Morse or Morse type keys, other Telegraphic equipments.

3. Telecom license (2213/SIA/IMO/2005) dated May 09, 2005, granted by the Ministry of Commerce & Industry, Government of India for Manufacture of Fabricated Metal Products.

4. Telecom license (775/SIA/IMO/2002) dated March 22, 2002, granted by the Ministry of Commerce & Industry, Government of India for Manufacture of Television Receivers, Reception Apparatus for Radio Broadcasting , Video Recording or Reproducing Apparatus, Turn –Tables, Record Players, Cassette Players and other Sound Reproducing Apparatus.

5. Telecom license (3047/SIA/IMO/2004) dated August 23, 2004, granted by the Ministry of Commerce & Industry, Government of India for (a) Manufacture of Transmission Apparatus for Radio Telephony, Radio Telegraphy, whether or not incorporating Reception Apparatus or Sound Recording or Reproducing Apparatus; Fixed Transmitters and Transmitter-Receivers Radio Telephony Apparatus, and (b) Manufacture of Apparatus for Line Telephony including such Apparatus for Carrier-Current Line Systems includes Manufacture or Telephone Sets, Automatic and Non-Automatic Switch Boards and Exchanges, Morse or Morse type keys, other Telegraphic equipment.

6. Telecom license (861/SIA/IMO/99) dated April 28, 1999, granted by the Ministry of Industry, Government of India for Manufacture of microphones, loudspeakers, ear phones, amplifiers, sound amplifier sets and other sound/video reproducing apparatus.

7. Telecom license (1023/SIA/IMO/99) dated May 20, 1999, granted by the Ministry of Industry, Government of India for Manufacture of Apparatus for Line Telephony including such Apparatus for Carrier-Current Line Systems includes Manufacture or Telephone Sets, Automatic and Non-Automatic Switch Boards and Exchanges, Morse or Morse type keys, other Telegraphic equipments.

8. Telecom license (1087/SIA/IMO/99) dated May 17, 2001, granted by the Ministry of Commerce & Industry, Government of India for Manufacture of Transmission Apparatus for Radio Telephony, Radio Telegraphy, whether or not incorporating Reception Apparatus or Sound Recording or Reproducing Apparatus; Fixed Transmitters and Transmitter-Receivers Radio Telephony Apparatus.

9. Telecom license (890/SIA/IMO/2000) dated April 6, 2000, granted by the Ministry of Commerce & Industry, Government of India for Manufacture of Apparatus for Line Telephony including such Apparatus for Carrier-Current Line Systems includes Manufacture or Telephone Sets, Automatic and Non-Automatic Switch Boards and Exchanges, Morse or Morse type keys, other Telegraphic equipment.

10. Telecom license (1030/SIA/IMO/2004) dated March 24, 2004, granted by the Ministry of Commerce & Industry, Government of India for Manufacture of Fabricated Metal Products.

11. Telecom license (1612/SIA/IMO/2001) dated July 23, 2001, granted by the Ministry of Commerce & Industry, Government of India for (a) Manufacture of Transmission Apparatus for Radio Telephony, Radio Telegraphy, whether or not incorporating Reception Apparatus or Sound Recording or Reproducing Apparatus; Fixed Transmitters and Transmitter-Receivers Radio Telephony Apparatus, (b) Manufacture of Apparatus for Radio Broadcasting, Television Transmission, Radar Apparatus and Radio –Remote Control Apparatus and Apparatus for Radio/Line Telephony and Line Telegraphy, and (c) Manufacture of Apparatus

for Line Telephony including such Apparatus for Carrier-Current Line Systems includes Manufacture or Telephone Sets, Automatic and Non-Automatic Switch Boards and Exchanges, Morse or Morse type keys, other Telegraphic equipments.

12. Telecom license (3909/SIA/IMO/2000) dated March 24, 2004, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Insulated (Including Enameled or Anodized) Wire, Cable (including Co Axial Cable) and other insulated Electric Conductors, whether or not fitted with Connectors, Optical Fibre Cables.

13. Telecom license (2786/SIA/IMO/94) dated August 25, 1994, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Co-Axial Cable.

14. Telecom license (2787/SIA/IMO/94) dated August 25, 1994, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Optical Fibre Cables.

15. Telecom license (1398/SIA/IMO/97) dated August 25, 1997, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Telephonic or Telegraphic Switching Apparatus (Electric) for Data Communication Equipment including Interface/Multiplexes.

16. Telecom license (2613/SIA/IMO/96) dated July 03, 1996, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Co-Axial Cable and Optical Fibre Cables.

17. Telecom license (6286/SIA/IMO/95) dated December 18, 1995, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Telephonic equipments.

18. Telecom license (4207/SIA/IMO/95) dated August 17, 1995, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Solar Cells whether or not assembled in modules or panels.

19. Telecom license (3682/SIA/IMO/95) dated July 21, 1995, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Telephonic or Telegraphic Switching Apparatus (Electric) for Data Communication Equipment including Interface, Multiplexers.

20. Telecom license (1728/SIA/IMO/95) dated April 03, 1995, granted by the Ministry of Commerce & Industry, Government of India for wind turbines project.

21. Telecom license (94/SIA/IMO/95) dated January 05, 1995, granted by the Ministry of Commerce & Industry, Government of India for manufacture of other instruments and apparatus, specially designed for telecommunications.

22. Telecom license (2785/SIA/IMO/94) dated August 25, 1994, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Optical Time Domain Reflector Meter.

23. Telecom license (1215/SIA/IMO/94) dated April 19, 1994, granted by the Ministry of Commerce & Industry, Government of India for Transmission Apparatus incorporating Reception Apparatus.

24. Telecom license (2479/SIA/IMO/93) dated August 24, 1993, granted by the Ministry of Commerce & Industry, Government of India for Telephonic or Telegraphic Switching Apparatus (Electric) for Data Communication Equipment including Interface/Multiplexers.

25. Telecom license (2480/SIA/IMO/93) dated August 24, 1993, granted by the Ministry of Commerce & Industry, Government of India dated for manufacture of Aerials & Aerial Reflectors of all kinds, parts suitable for use.

26. Telecom license (2478/SIA/IMO/93) dated August 24, 1993, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Other Radio Communications Equipment including VHF & UHF and Microwave Communications Equipment.

27. Telecom license (2411/SIA/IMO/93) dated August 17, 1993, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Solar Cells whether or not assembled in Modules or Panels.

28. Telecom license (2018/SIA/IMO/93) dated August 7, 1993, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Other Radio Communications Equipment including VHF & UHF and Microwave Communications Equipment.

29. Telecom license (4153/SIA/IMO/92) dated October 23, 1992, granted by the Ministry of Commerce & Industry, Government of India for Aerials & Aerial Reflectors of all kinds, parts suitable for use.

30. Telecom license (4152/SIA/IMO/92) dated October 23, 1992,granted by the Ministry of Commerce & Industry, Government of India for manufacture of Parts for the use solely/principally with the apparatus of television receiver, Radar, Radio Navigational Aid and Radio Remote Control, Transmission, Reception Apparatus for Radio Telephony, Telegraphy/Broadcasting except Aerials.

31. Telecom license (4151/SIA/IMO/92) dated October 23, 1992, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Towers and Lattice Masts of Iron or Steel.

32. Telecom license (2882/SIA/IMO/92) dated July 15, 1992, granted by the Ministry of Commerce & Industry, Government of India for manufacture of Transmission Apparatus for Two Way Radio Communication Equipment incorporating Reception Apparatus.

33. Telecom license (276(1990)) dated April 19, 1990, granted by the Ministry of Commerce & Industry, Government of India for manufacture of TVRO's and Direct Reception Sets.

34. Telecom license (888(1989)) dated November 10, 1989, granted by the Ministry of Commerce & Industry, Government of India for manufacture of UHF Radio Relay System 30 Voice/Data Channels.

35. Telecom license (584 (1989)) dated August 9, 1989, granted by the Ministry of Commerce & Industry, Government of India for manufacture of (a) MF/HF/VHF/UHF Antennas (b) Masts & Towers, and (c) VHF/UHF Duplex Filters.

36. Telecom license (1738/SIA/IMO/95) dated April 4, 1995, granted by the Ministry of Commerce & Industry, Government of India for Wind Farm Projects

37. Telecom license (592/SIA/IMO/95) dated January 31, 1995 granted by the Ministry of Commerce & Industry, Government of India manufacture of Other instruments and apparatus, specially designed for telecommunications(for example, cross talk meters, gain measuring instruments, distortion factor meters.

38. Pollution control approval (509-RR-II/PCB/ZOH/CFO/2007-1797) dated December 14, 2007, from Andhra Pradesh pollution control board, zonal office, Hyderabad, for manufacture of bolts of capacity 350 TPD and Nuts of 150 TPD.

39. Pollution control approval (500-RR-II/PCB/ZOH/CFO/2007-1796) dated December 14, 2007, from Andhra Pradesh pollution control board, zonal office, Hyderabad, for fabrication of tower parts of 950 TPM and Galvanised items of 260 TPD.

40. Pollution control approval (510-RR-II/PCB/ZOH/CFO/2007-1798) dated December 14, 2007, from Andhra Pradesh pollution control board, tonal office, Hyderabad, for manufacture of MS Angles with a capacity of 250 TPD.

41. Industrial License (DIL 79(2008)) has been granted by the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion dated August 14, 2008, In accordance with the terms of the licence, "A license has been obtained from the central government for the manufacture of item(s) mentioned below, of which a copy is open to public inspection at the head office of the company. It must be distinctly understood that, in granting this licence, the government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it". This licence was granted for design, development and manufacture, installation, commissioning of fixed frequency and frequency hopping ground to ground and ground to air, point to point, and point to multi-point radios and radio relays for defence static and non-static mobile communications, radios (of various type) and satcom's control harness.

42. Industrial License (DIL 94(2008)) has been granted by the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion dated September 19, 2008. In accordance with the terms of the licence, "A license has been obtained from the central government for the manufacture of item(s) mentioned below, of which a copy is open to public inspection at the head office of the company. It must be distinctly understood that, in granting this licence, the government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it". This licence was granted for design, development and manufacture of (a) all range of land, air or sea based HF/VHF/UHF Radar Systems. (b) Sub-Systems, engineering structures and RF components such as TR modules MMIC Modules and radiating antenna elements, and (c) EMI/EMC.EMP proof vehicular entities for RADAR transportations.

43. Industrial License (DIL 93(2008)) has been granted by the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion dated September 19, 2008. In accordance with the terms of the licence, "A license has been obtained from the central government for the manufacture of item(s) mentioned below, of which a copy is open to public inspection at the head office of the company. It must be distinctly understood that, in granting this licence, the government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it". This licence was granted for design, manufacture and in-vehicle integration of critical systems and sub-systems of the following items (a) Direction finding, location fixing and narrow band (b) High and low power jammers HF/VHF/UHF range, (c) surveillance and interception systems, and (d) Counter terrorism products in HF/VHF/Microwave frequency.

44. Industrial License (DIL 92(2008)) has been granted by the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion dated September 19, 2008. In accordance with the terms of the licence, "A license has been obtained from the central government for the manufacture of item(s) mentioned below, of which a copy is open to public inspection at the head office of the company. It must be distinctly understood that, in granting this licence, the government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it". This licence was granted for design, manufacture of critical LF/VLF/HF/VHF/UHF electronics systems and sub-systems for airborne, land based, sea based communication and non-communication equipment of the following items: (a) customised radio controllers, (b) switches and routers, (c) customised test equipment, (d) customised FPGA platforms, (e) Digital control Harness, (f) Data Link Layers, (g) Missile command guidance units, and (h) Bulk and data encryption units.

45. Industrial License (DIL 91(2008)) has been granted by the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion dated September 18, 2008. In accordance with the terms of the licence, "A license has been obtained from the central government for the manufacture of item(s) mentioned below, of which a copy is open to public inspection at the head office of the company. It must be distinctly understood that, in granting this licence, the government of India do not take any responsibility for the financial

soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it”. This licence was granted for design, manufacture of MIL grade products of the following items: (a) Optical transmission and multiplexing and DE – Multiplexing equipment for static and mobile defence communications, (b) PDH 2 MB/8MB/32MB and SDH STM – 1/4 /16/64 for static and mobile communications, (c) DWDM equipment for static/mobile defence communications, (d) Interoperability devices and Band-width managers for voice/data/video defence communications, (e) All categories of military antennas in HF/UHF/VHF range, (f) Self supporting/guyed/electro-mechanical and pneumatic masts, (g) EMI/EMC/EMPNBC proof mobile static shelters, and (h) In-vehicle entity design and power systems integration modules.

46. Consent order (500-RR-II/PCB/ZOH/CFO/2007) under section 25 and 26 of the Water (Prevention & Control of Pollution) Act 1974 and under section 21 of the Air (Prevention & Control of Pollution) Act 1981 and Authorization under the provisions of Hazardous Waste (M&H) Rules dated December 14, 2007, issued by the Andhra Pradesh Pollution Control Board.

47. Consent order (CTE-11042) under the Water (Prevention & Control of Pollution) Act 1974 and under section 21 of the Air (Prevention & Control of Pollution) Act 1981 dated March 3, 2010, issued by the Himachal Pradesh State Pollution Control Board.

48. Certificate of Registration (A-189(er) 09) dated March 2, 2005, under the Contract Labour (Regulation and Abolition) Act, 1970, for fabrication of towers and use of employees through contractors listed in the certificate.

49. Certificate of Registration dated November 19, 2006, under the Contract Labour (Regulation and Abolition) Act, 1970.

50. Registration under the Employees State Insurance Corporation 52000060380001010 dated May 12, 1989.

51. Registration (AP/16609) dated May 24, 1989, under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

52. License to work a factory named ‘Arm Limited - Towers Division’ under Rule (4)/(4) of the Factories Act, 1948 dated July 29, 2000 issued by the Inspector of Factories.

53. License No. 36978 and Registration No. 58033 allocated to the Company for its premises at Plot No. 40- 46, IDA, Chearalapally, Ranga Reddy District under Rule 4 (4) of the Factories Act, 1948 (undated) from the Inspector of Factories, Ranga Reddy – II Circle. The same has been renewed by the Company for the year 2010 on December 31, 2009.

54. License to work a factory named ‘Arm Limited- Galvanizing Division’ under Rule (4)/(4) of the Factories Act, 1948 dated July 29, 2007, from the Inspector of Factories.

55. License (5378/A3/YM/2002) to carry on the trade of manufacturing of towers and masts, radio products, antenna products, transmission equipments with an installed capacity of 125 HP dated March 30, 2002, issued by the Yanam Municipality.

56. Import License (IMP-322 (SR)) dated July 17, 2009 under the Sea Customs Act was granted by Wireless Planning and Co-ordination Wing, Department of Telecommunications, Government of India to import BTS Transceiver at Mumbai.

57. Acknowledgement (271/IIM/PROD/2005) of commencement of commercial production of Galvanized Transmission Line Towers dated September 7, 2005, was granted by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.

58. Certificate of registration (AAECA1326QXM005) under the Central Excise Rules, 2002 dated February 19, 2008, for operating an Export Oriented Undertaking at Plot No 40-46 (46B),

Solar Division, Phase I, IDA, Chelapally, Hindustan Cables Ltd, Ranga Reddy, Andhra Pradesh, issued by Customs and Central Excise Department, Hyderabad.

59. Certificate of Importer-Exporter Code (IEC) (0988012502) dated April 8, 2003, re-issued by the Ministry of Commerce and Industry, Government of India.

60. Registration Certificate (VIII/48/9/2002-T.3) under the Customs (Import of input goods at concessional rate of duty for manufacture of exercisable goods) Rules, 1996 dated July 17, 2002, for import parts, components and accessories of mobile handsets.

61. Permission from Government of Bangladesh (BOI/R&I-(Com)/Branch/2370/072439) dated October 9, 2007, to open a branch office in Dhaka for a period of three years from August 15, 2007. The activities in the branch office shall be confined to telecom infrastructure developing and services.

62. The Company received renewed registration certificate till December 31, 2010 for ICOMM Tele Limited, 304, Trendset Towers, Road No.2, Banjara Hills, Hyderabad under the Andhra Pradesh Shops and Establishments Act, 1988.

63. The Company received registration certificate (2010004588) dated March 11, 2010 for ICOMM Tele Limited, 23, Babar Lane, Bengali Market, Cannought Place Delhi, under the Commercial Establishment under Delhi Shops and Establishment Act, 1954

IV. Tax Related Approvals

1. Certificate of registration (TIN 20330106132) as a dealer under the Central Sales Tax Act 1956 dated January 13, 2010, from the Commercial Taxes Department, Government of India.

2. Certificate of registration (55176689) under the Central Sales Tax (Registration and Sales-Money Regulations) 1957, dated February 18, 2006, issued by the Assistant Commissioner of Taxes, Dehradoon, Uttaranchal.

3. Certificate of registration (05006149534) under the VAT Registration Act by the Government of Uttaranchal dated February 18, 2006 issued by the Assistant Commissioner of Commercial Sales Tax, Uttaranchal.

4. Certificate of registration (05052523) under the Central Sales Tax (Registration and Sales-Money Regulations) 1957, issued by the Commercial Tax Officer, Bhopal, Madhya Pradesh.

5. Composition Tax registration certificate (TIN 29070145328) under Rule 137(2) of the Karnataka Value Added Tax Act, 2003 dated September 14, 2007, issued by the Government of Karnataka.

6. Certificate of registration (TIN 09676801270) as a dealer under the Uttar Pradesh Value Added Tax Act, 2007 dated April 03, 2008, issued by the Department of Commercial Taxes, Government of Uttar Pradesh.

7. Certificate of registration (TIN 21361112439) as a dealer under the Orissa Value Added Tax Act, dated July 15, 2008, issued by the Sales Tax Officer, Bhubaneswar, Orissa.

8. Certificate of registration (TIN 32072018422C) as a dealer under section 16 of the Kerala Value Added Tax Act, 2003 dated August 10, 2007, from the Department of Commercial Taxes, Government of Kerala.

9. Certificate of registration (GRN 18050099494) as a dealer under the Assam Value Added Tax Act, 2003, dated June 23, 2008, issued by the Assistant Commissioner of Taxes, Guwahati.

10. Certificate of registration (18649927535) as a dealer under the Central Sales Tax Act 1956, dated July 22, 2008, issued by the Assistant Commissioner of Taxes, Guwahati.

11. Certificate of registration (TIN 06051926493) as a dealer under the Haryana Value Added Tax Act, 2003 dated September 20, 2004 issued by the Government of Haryana.

12. Certificate of registration (06051926493) as a dealer under the Central Sales Tax Act, 1956 dated November 03, 2004, issued by the Government of Haryana.

13. Certificate of registration (TIN 34360007346) as a dealer under the Puducherry Value Added Tax Ordinance, 2007, dated July 19, 2007, issued by the Commercial Taxes Department, Government of Puducherry.

14. Certificate of registration (06051926493) as a dealer under Central Sales Tax Act 1956, dated July 30, 2001, issued by the Deputy Commercial Tax Officer, Yanam.

15. Certificate of registration ((VRN/TRN) 03162057820) as a taxable person/registered person under the Punjab Value Added Tax Act, 2005 dated March 02, 2009, issued by the Excise & Taxation Officer, Amritsar.

16. Certificate of registration (03162057820) as a dealer under the Central Sales Tax Act 1956 dated March 02, 2009, issued by the Excise and Taxation Officer, Amritsar.

17. Certificate of registration (TIN 33371122372) as a dealer under the Tamil Nadu Value Added Tax Act, 2006 dated January 18, 2007, issued by the Commercial Taxes Department, Government of Tamil Nadu.

18. Certificate of registration (TIN 28670130152) as a dealer under the Central Sales Tax Act 1956 dated January 8, 2010 issued by the Commercial Taxes Department, Government of India.

19. Value Added Tax registration certificate (TIN 28670130152) under section 18(1)(a) and Rule 10(a) & 12 of the Andhra Pradesh Value Added Tax Act, 2005 dated September 23, 2009, issued by the Government of Andhra Pradesh, Commercial Taxes Department.

20. Certificate of registration (AAECA1326QXM005) dated February 19, 2008, issued by Central Excise department for operating an export oriented undertaking at Plot No.40-46 solar division, Phase I, IDA, Cherlapally, Hindustan Cables Limited, Ranga Reddy, Andhra Pradesh.

21. Certificate of registration (TIN 16170042062) as a taxable person/registered person under the Tripura Value Added Tax Act, 2004 dated June 26, 2008 issued by the Superintendent of Taxes, Government of Tripura.

22. Certificate of registration as a dealer (16170042264) under Central Sales Tax Act 1956, dated June 26, 2008, issued by Superintendent of Taxes, Government of Tripura.

23. Certificate of registration (TIN 17130151016) as a taxable person/registered person under section 31 of the Meghalaya Value Added Tax Act, 2003, dated June 14, 2008, issued by Superintendent of Taxes, Government of Meghalaya.

24. Certificate of registration (17130151210) as a dealer under Central Sales Tax Act, 1956 dated June 14, 2008, issued by Superintendent of Taxes, Government of Meghalaya.

25. Certificate of registration (TIN15200046005) as a taxable person/registered person under the Mizoram Value Added Tax Act, 2005 dated August 5, 2008 issued by the Superintendent of Taxes, Government of Mizoram.

26. Certificate of registration (TIN 34360007346) as a taxable person/registered person under the Puducherry Value added Tax Ordinance, 2007 dated July 11, 2007

27. Certificate of registration (12170338103) as a works contractor under Arunachal Pradesh Goods Tax Act, 2005 dated July 16, 2008, by the Superintendent of Taxes, Government of Arunachal Pradesh.

28. Certificate of registration (12170338204) as a dealer under Central Sales Tax Act, 1956 dated July 24, 2008, from the Superintendent of Taxes, Government of Arunachal Pradesh.

29. Certificate of registration (24511005180) as a dealer under Central Sales Tax Act, 1956 dated December 30, 2009, from the Government of Gujarat.

30. Certificate of registration as a dealer under section 12(1)/(2) of the Andhra Pradesh General Sales Tax Act, 1957 dated December 25, 2004 issued by Commercial Tax Department, Government of India.

31. Certificate of registration (AAECA1326QXM003) under Central Excise Rules, 2002 dated April 23, 2003, issued by Central Excise Department, Yanam.

32. Certificate of registration (AAECA1326QXM002) under Central Excise Rules, 2002 issued by Central Excise Department, Hyderabad.

33. Certificate of registration (AAECA1326QXM001) under Central Excise Rules, 2002 dated April 4, 2003, issued by Customs and Central Excise Department, Hyderabad, Andhra Pradesh.

34. Certificate of registration (AAECA1326QST001) under section 69 of the Finance Act, 1994 dated December 30, 2008, issued by Service Tax Cell, Hyderabad, Andhra Pradesh.

35. Certificate of registration (309130) as a dealer under Central Sales Tax Act, 1956 dated May 22, 2006, issued by the Sales Tax Authority, Delhi.

36. Certificate of registration (24011005180) as a taxable person/registered person under the Gujarat Value Added Tax Act, 2003 dated December 30th, 2009, issued by the Government of Gujarat.

37. Certificate of registration (SOL-CST-15422) as a dealer under Central Sales Tax Act, 1956 issued by the Sales Tax Authority, Himachal Pradesh.

V. Intellectual Property

1. The Company has filed four applications dated December 26, 2007 before the Registrar of Trademarks for registration of "ICOMM" and "ICOMM TELE" as its trademark and logo under Classes 9, 35, 38 and 42.

The Company has obtained the above approvals and the same are valid as of the date of the Issue. Some of these have expired in the ordinary course of business and applications for their renewal have been submitted. We undertake to obtain all approvals, licenses, registrations and permissions required to operate our business.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by the resolution of the Board of Directors passed at their meeting held on March 15, 2010 and the shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the extra-ordinary general meeting of the Company held on March 18, 2010.

Authority from the Selling Shareholder

The board of directors of the Selling Shareholder at its meeting held on March 14, 2010 approved the Offer for Sale of Equity Shares by the Selling Shareholder.

Based on letters provided by the Selling Shareholder, we understand that they have held the Equity Shares proposed to be offered and sold by them in the Issue for more than one year prior to the date of filing of this Draft Red Herring Prospectus and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold by them are free from any lien, encumbrance or third party rights.

Prohibition by SEBI, RBI or other Governmental Authorities

We confirm that the Company, its Subsidiaries the Selling Shareholder, Promoter, relatives of Promoter, Directors, Promoter Group entities and Group Companies, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority.

The companies, with which any of the Promoter, Directors or persons in control of the Company or any natural person behind the Promoter are or were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority.

None of the Directors are associated in any manner with any entities, which are engaged in securities market related business and are registered with the SEBI for the same.

Neither the Company, its Subsidiaries, its Directors, Promoter, the relatives of Promoter (as defined under the Companies Act), Group Companies and the Selling Shareholder have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by any of them in the past or are pending against them.

Eligibility for the Issue

The Company is eligible for the Issue under Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- The Company has net tangible assets of at least Rs. 30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- The Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three out of the immediately preceding five years;

- The Company has a net worth of at least Rs. 10 million in each of the three preceding full years (of 12 months each);

- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the Issue size is not expected to exceed five times the pre-Issue net worth of the Company; and

- The Company has not changed its name in the last Fiscal year.

The Company's distributable profits, net worth, net tangible assets and monetary assets derived from the Financial Statements on a standalone basis included in this Draft Red Herring Prospectus as at, and for the last five years ended 15 months period ended September 30, 2009, and years ended on June 30, 2008, 2007, 2006 and 2005 are set forth below:

(In Rs. millions)

Particulars	15 months period ended September 30, 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Distributable Profits	260.09	756.22	285.56	162.74	213.63
Net Worth	2,763.80	2,505.01	1,080.24	795.70	631.91
Net Tangible assets	12,428.04	10,393.20	5,843.05	4,720.58	3,033.75
Monetary assets	651.00	377.35	260.62	169.56	124.33
Monetary assets as a percentage of the net tangible assets	5.24%	3.63%	4.46%	3.59%	4.10%

(1) 'Distributable Profits' have been defined in terms of section 205 of the Companies Act.
(2) 'Net Worth' is as appearing in the restated standalone financial statements
(3) 'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issuedby Institute of Chartered Accountants of India
(4) Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.

Further, as the Issue size is proposed to be more than 10% and less than 25% of the issued capital of the Company, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) of the SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;
- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The Issue is made through the Book Building method with 60% of the Issue size allocated to QIBs.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, EDELWEISS CAPITAL LIMITED AND ANTIQUE CAPITAL MARKETS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE 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 MANAGERS, EDELWEISS CAPITAL LIMITED AND ANTIQUE CAPITAL MARKETS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 30, 2010 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM 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 FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

    (a) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

    (b) ALL THE LEGAL REQUIREMENTS RELATED TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES INSTRUCTIONS, ETC. ISSUED BY THE BOARD, 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 THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS).

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE**

DRAFT RED HERRING PROSPECTUS.

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE; AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (a) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND**

(b) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/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 Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Andhra Pradesh in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Andhra Pradesh in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from the Company, the Selling Shareholder and the BRLMs

The Company, the Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's web site www.icommtele.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the BRLMs, the Selling Shareholder and the Company and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholder and the Company.

All information shall be made available by the Company, the Selling Sharholder, the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company, its Directors and officers, the Selling Shareholder, their directors and officers nor any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Each of the BRLMs and their associates and/or affiliates may engage in transactions with, and perform services for, the Company, the Selling Shareholder, their affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with the Company, the Selling Shareholder, or their affiliates or associates for which they have received, and may in future receive, compensation.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Selling Sharholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriter and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

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 not minors, 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), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (i.e., FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Hyderabad, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The Disclaimer Clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

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 and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad 500195, Andhra Pradesh.

Listing

Applications will be made to the BSE and NSE for permission deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to list, deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company and the Selling Shareholder will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after the Company and the Selling Shareholder becomes liable to repay it, i.e. from the date of refusal or within 10 weeks from the Bid/Issue Closing Date, whichever is earlier, then the Company, the Selling Shareholder and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

The Company and the Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Issue; and (b) the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Banks, legal advisors, bankers, underwriters, IPO grading agency and the 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 as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, Deloitte Haskins and Sells, Chartered Accountants and Nataraja Iyer and Co., Chartered Accountants, the Company's Auditors have given their written consent to the inclusion of their report dated March 30, 2010 and statement of tax benefits dated March 30, 2010 in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith, the Company has not obtained any expert opinions.

Issue Related Expenses

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

Activity	Expense* *(Rs. in million)*	Expense *(% of total expenses)*	Expense *(% of Issue Size)*
Lead Management, Underwriting and Selling Commission, Brokerage	[●]	[●]	[●]
SCSB Commission	[●]	[●]	[●]
Bankers to the Issue			
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery (including courier, transportation charges)	[●]	[●]	[●]
Others (Registrar fees, legal fees, listing costs etc)	[●]	[●]	[●]
Fees paid to IPO Grading agency	[●]	[●]	[●]
Total	[●]	[●]	[●]

** Will be incorporated after finalisation of Issue Price*

The Issue expenses, except the listing fee, shall be shared between the Company and the Selling Shareholder in the proportion to the number of shares sold to the public as part of the Issue. The listing fees will be paid by the Company.

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission and selling commission and other expenses as agreed to by the Company and the Selling Shareholder) will be as stated in the Engagement Letter with the BRLMs, a copy of which is available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding dated March 18, 2010 entered into among the Company, the Selling Shareholder and the Registrar to the Issue, a copy of which is available for inspection at the Registered Office of the Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding public or rights issues during the last five years

We have not made any public or rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in “Capital Structure” on page 28 of this Draft Red Herring Prospectus and “History and Corporate Matters” on page 111 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed group companies, subsidiaries and associates of the Company

None of the group companies, associates and subsidiaries of the Company are listed on any stock exchange.

Promise vis-à-vis objects – Public/ Rights Issue of the Company and/ or listed group companies, subsidiaries and associates of the Company

The Company has not undertaken any previous public or rights issue.

None of the group companies, associates and subsidiaries of the Company are listed on any stock exchange.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds.

Outstanding Preference Shares

The Company does not have any outstanding preference shares.

Stock Market Data of our Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue, the Selling Shareholder and the Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has also constituted an Investors Grievance Committee to review and redress the shareholders and investor grievances such as transfer of shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

The Company has appointed C.S. Balachandra Sunku, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

ICOMM Tele Limited
Third Floor, Trendset Towers
Road No. 2, Beside L.V. Prasad Eye Hospital Banjara Hills
Hyderabad 500 034
Andhra Pradesh
Tel: (91 40) 2355 2222
Fax: (91 40) 2355 2266
Email: investors@icommtele.com

Changes in Auditors

There have been no changes in the Auditors in the last three years.

Capitalisation of Reserves or Profits

Except as disclosed in this Draft Red Herring Prospectus, we have not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN, the listing agreement with the Stock Exchanges 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, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a resolution of the Board dated March 15, 2010. The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of our Company held on March 18, 2010.

The Offer for Sale has been authorised by the Selling Shareholder at its meeting held on March 14, 2010.

Our Company will make an application to the FIPB for its approval in relation to the participation of eligible non-residents including NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions in the Issue and also for certain *ex post facto* approvals in relation to existing and proposed investments in the Company.

The Company has further undertaken to make applications to the Reserve Bank of India pursuant to obtaining the approval of the FIPB in relation to the Offer for Sale and in relation to certain existing and proposed investments in the Company.

Our Company has obtained in-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see “Main Provisions of the Articles of Association” on page 260 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of the Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers 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 company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of the Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see "Main Provisions of the Articles of Association" on page 260 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in [●] edition of [●], an English national daily newspaper, [●] edition of [●], a Hindi national daily newspaper and [●] edition of [●], a Telugu newspaper, each with wide circulation at least two days prior to the Bid/Issue Opening Date.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of 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/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or

- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, 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 investors require changing their 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 Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

The requirement for minimum subscription is not applicable to the Offer for Sale.

In case of under subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. Any expense incurred by our Company on behalf of the Selling Shareholder, if any, regarding refunds, interest for delays, etc for the equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to our Company.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

Further, our Company shall ensure that the number of prospective allotees to whom Equity Shares will be allotted shall not be less than 1,000.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Hyderabad, Andhra Pradesh, India.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares and debentures

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in "Capital Structure" on page 28 of this Draft Red Herring Prospectus, and except as provided in the Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles. See "Main Provisions of the Articles of Association" on page 260 of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) comprising a Fresh Issue of [●] Equity Shares aggregating to Rs. 2,000 million by the Company and on Offer for Sale of 1,977,918 Equity Shares at the Issue Price by the Selling Shareholder. In case of under subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

The Company is considering a Pre-IPO Placement of up to Rs. 500 million with various investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of such Equity Shares prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid up capital being offered to the public.

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

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue size less allocation to QIBs and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 60% of the Issue Size being allocated. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 10% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [●] so that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares in multiples of [●] so that the Bid Amount exceeds Rs. 100,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] not exceeding Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
Allotment Lot	A minimum of [●] Equity Shares and in multiples of One Equity Share thereafter.	A minimum of [●] Equity Shares and in multiples of One Equity Share thereafter.	[●] Equity Shares and in multiples of One Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Sec. 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds 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 Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, National Investment Fund, and insurance funds set up and managed by army, navy or air force of the Union of India	Eligible NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, HUF (in the name of Karta), Eligible NRIs.
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members. ***	Amount shall be payable at the time of submission of Bid cum Application Form.	Amount shall be payable at the time of submission of Bid cum Application Form. ##
Margin Amount	Up to 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding

\# *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, see "Issue Procedure" on page 217 of this Draft Red Herring Prospectus. The Bid must be for a minimum of such number of Equity Shares such that the Bid amount is at least Rs. 100 million.*

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

* *Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will 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 Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of our Company in consultation with the Selling Shareholder and the BRLMs.*

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

*** *After the Bid/ Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be* *called for from the QIB Bidders*.

Withdrawal of the Issue

Our Company in consultation with the Selling Shareholder and the BRLMs, reserves the right not to proceed with the Issue. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●]**
BID/ISSUE CLOSES ON	**[●]**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5 p.m**. (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular Bidder, the details as per the physical form of the Bidder may be taken as the final data for the purpose of allotment.

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

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

Our Company in consultation with the Selling Shareholder and the BRLMs, reserves the right to revise the Price Band during the Bidding/ Issue Period in accordance with the SEBI ICDR Regulations, provided that the Cap Price shall be less than or equal to 20% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

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

ISSUE PROCEDURE

Book Building Procedure

Pursuant to Rule 19(2) (b) of the SCRR, this being an Issue for less than 25% of the post Issue share capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which, excluding the Anchor Investor Portion, 5% 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. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Retail Individual Bidders, who are Indian residents, may participate in this Issue through ASBA by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by Self Certified Syndicate Banks. Allocation to Anchor Investors shall be on a discretionary basis.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs or their affiliate syndicate members. In case of QIB Bidders, our Company, in consultation with the BRLMs, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such QIB Bidder in writing.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft 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 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 authorised our Company and the Selling Shareholder to make the necessary changes in the Draft 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 RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholder to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis excluding Anchor Investors	[●]
Non-Residents, Eligible NRIs, FVCIs, FIIs, registered multilateral and bilateral development financial institutions on a repatriation basis	[●]
ASBA Bidders	[●]

- Only Resident Retail Individual Investors can participate by way of ASBA process.

- Only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India, who are not minors, in single or joint names (not more than three);
3. Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
5. Mutual Funds registered with SEBI;
6. Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
7. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
8. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Bidders Category;
10. Venture Capital Funds registered with SEBI;
11. Foreign venture capital investors registered with SEBI;
12. State Industrial Development Corporations;
13. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
14. Scientific and/or industrial research organisations authorised to invest in equity shares;
15. Insurance Companies registered with Insurance Regulatory and Development Authority;
16. Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
17. Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
18. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
19. Insurance funds set up and managed by army, navy or air force of Union of India;
20. Multilateral and Bilateral Development Financial Institutions; and
21. All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

Note: As per existing regulations, OCBs cannot participate in the Issue.

Participation by associates of BRLMs and Syndicate Member:

Associates of BRLMs and Syndicate Member may bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors.

Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates of BRLMs and Syndicate Member shall be on a proportionate basis.

However, the BRLMs and Syndicate Member 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.

The information below is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their own inquiries and independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share 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.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

(i) Bid cum application forms ([●]) in colour) have been made available for Eligible NRIs at our Registered Office, members of the Syndicate and the Registrar to the Issue.

(ii) Applications shall be accompanied by payment in foreign exchange.

(iii) The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (White in colour) and shall not use the form meant for the non-resident category.

(iv) In accordance with the SEBI Regulations, NRIs cannot subscribe to this Issue under the ASBA process.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-issue issued capital of our Company (i.e. 10% of [●] Equity Shares). In respect of an FII investing in the Equity Shares of our 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 our Company or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of its total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors respectively registered with SEBI. Accordingly, the holding in any company by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/ foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers. Further, According to the SEBI ICDR Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company, the Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, the Selling Shareholder and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Participation by Associates/Affiliates of the BRLMs and Syndicate Members

Associates/affiliates of BRLMs and Syndicate Members may Bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients.

Allotment to all investors including associates/affiliates of BRLMs and Syndicate Members shall be on a proportionate basis.

However, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits/restrictions applicable to them. Our Company the Selling Shareholder, our Directors and officers, affiliates, associates and their respective directors and officers and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company the Selling Shareholder, our Directors and officers, affiliates, associates and their respective directors and officers and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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 a minimum of [●] Equity Shares and in multiples of [●], so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. 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 Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds Rs. 100,000. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 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 the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least Rs. 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period.**

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(a) Our Company and the Selling Shareholder will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in the Equity Shares of our Company) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the registered office of our Company or from any of the members of the Syndicate.

(d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids.

(e) 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

(I) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Telugu newspaper with wide circulation. This advertisement shall be in the prescribed format.

(II) The BRLMs shall accept Bids from the Anchor Investors on the Anchor Investor Bid Date, i.e. one day prior to the Bid Opening Date. Investors, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate or their authorised agents to register their Bids, during the Bidding Period. The Members of the Syndicate shall accept Bids from all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.

(III) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Telugu newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(IV) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(V) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) 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/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(VI) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids" on page 225 of this Draft Red Herring Prospectus.

(VII) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three

TRSs for each Bid cum Application Form.

(VIII) During the Bid/Issue Period, Bidders may approach the members of 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, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(IX) The BRLMs shall accept Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(X) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 224 of this Draft Red Herring Prospectus.

Bids at Different Price Levels and Revision of Bids

(a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price.

(b) The Bidders can bid at any price within the Price Band, in multiples of Re.1 (One).

(c) Our Company in consultation with the the Selling Shareholder and the BRLMs, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(d) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.

(e) Our Company in consultation with the Selling Shareholder and the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(f) Our Company in consultation with the Selling Shareholder and the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(d) 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 may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

(f) 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 or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bdder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) 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 Escrow Account. Our Company, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see "Issue Procedure-Payment Instructions" on page 232 of this Draft Red Herring Prospectus.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/ Issue Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(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:

   (i) Name of the investor.
   (ii) Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
   (iii) Numbers of Equity Shares bid for all the options.
   (iv) Bid price for all the options.
   (v) Bid cum Application Form number.
   (vi) Whether Margin Amount has been paid upon submission of Bid cum Application Form.
   (vii) Depository Participant Identification Number and Client Identification Number of the beneficiary 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 member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment 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) In case of QIB Bidders, Members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 235 of this Draft Red Herring Prospectus.

(h) 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, the Selling Shareholder and/or the BRLMs 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 Promoter, management or any scheme or project of our Company.

(i) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE.

(j) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft 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 Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and 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 BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in 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 revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she 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 Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment 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 the BSE or the NSE and the members of the Syndicate, the decision of our Company in consultation with the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with our Company and the Selling Shareholder.

(b) Our Company in consultation with the Selling Shareholder and the BRLMs shall finalise the Issue Price.

(c) The allocation to QIBs will be at least 60% of the Issue and 10% and 30% of the Issue will be available for allocation to Non-Institutional and Retail Individual Bidders respectively, on a proportionate basis, in a manner specified in the SEBI ICDR Regulations and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(e) Allocation to Non-Residents, including Eligible NRIs and FIIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLMs, in consultation with our Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the Selling Shareholder, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company would 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

Our Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one widely circulated English language national daily newspaper, one widely circulated Hindi language national daily newspaper and one Telugu newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that our Company shall endeavor to ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the balance amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to "Notice to Anchor Investors - Allotment Reconciliation and Revised CANs" and "Notice to QIBs - Allotment Reconciliation and Revised CANs" as set forth below:

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the physical book and at the discretion of the BRLMs, select Anchor Investors may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investors to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares or increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

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. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 (fifteen) 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, our Company would ensure the credit to the successful Bidders depository account within two working days of the date of allotment.

(b) In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that DP account is activated;

(f) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(g) Ensure that you have been given a TRS for all your Bid options;

(h) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(i) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and residents of the State of Sikkim, all Bidders should mention their Permanent Account Number (PAN) allotted under the I.T.Act;

(j) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(k) Ensure that the name(s) given in the Bid cum Application Form. Is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not bid for lower than the minimum Bid size;

(b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders), for bid amount in excess of Rs. 100,000;

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

(h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

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 ([●] colour or [●] colour).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and multiples thereof subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [•] that the Bid Amount exceeds or equal to Rs. 100,000. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount is atleast Rs. 100 million.

(f) Bids by Non Residents, Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be 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 Eligible NRIs) or their nominees.

(g) 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 the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at Cut off Price.

(h) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(i) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of 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 concerned the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs, our Company, the Selling Shareholder, the Directors and officers of our Company, its affiliates, associates and their respective directors and officers or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN 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.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if 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 Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, its Directors and officers, its directors, affiliates, associates and their respective directors and officers, nor the Selling Shareholder, nor the Escrow Collection Banks, Registrar to the Issue nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars or the MICR code obtained from the Depository Participant are incorrect or incomplete.

In case no corresponding record is available with the Depositories, which matches the 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.

Bids by Non Residents including NRIs and FIIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, as registered with the depositaries concerned. Our Company and the Selling Shareholder will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

All applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

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 of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

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 lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

The Company and the Selling Shareholder, in their 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 that our Company, the Selling Shareholder/the BRLMs may deem fit.

Bids made by insurance companies

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

Bids made by Provident Funds

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

Our Company, the Selling Shareholder and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) 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.

The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue (including the amount due to the Selling Shareholder) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under "Issue Structure" on page 213 of this Draft Red Herring Prospectus.

2. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

3. 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 within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. 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.

4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "[●]"

   (b) In case of Resident Retail and Non-Institutional Bidders: "[●]"

5. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account. The payment instruments for payment into the Escrow Account should be drawn in favour: "[●]".

6. For Resident Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour: "[●]". For Non Resident Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour: "[●]".

7. Anchor Investors would be required to pay the Anchor Investor Margin Amount at the time of submission of the application form by the Anchor Investors and the balance shall be payable within two (2) days of the Bid/ Issue Closing Date. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them

8. In case of Bids by FIIs, or FVCIs the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account. The payment instruments for payment into the Escrow Account should be drawn in favour: "[●]".

9. Where a Bidder has been allocated/ Allotted a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated will be refunded to the Bidder from the Refund

Account.

10. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

11. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

12. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

13. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

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. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) 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 case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. 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.

2. 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.

3. The Registrar to the Issue 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.

4. 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, first line of same address, same age and same status will be treated as multiple applications.

5. The applications will be scrutinized 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.

Our Company reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

The Bidders, 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 Income Tax Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is 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**.

REJECTION OF BIDS

In case of QIB Bidders, our Company in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft 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 *inter alia* on the following technical grounds:

1. Amount paid does not 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. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

5. PAN not given;

6. GIR number furnished instead of PAN;

7. Bids for lower number of Equity Shares than specified for that category of investors;

8. Bids at a price less than 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 [•];

12. Bids by OCBs;

13. Bids by persons who are not eligible to acquire Equity Shares under any applicable law, rule, regulation, guideline or approval, inside India or outside India;

14. Category not ticked;

15. Multiple Bids as defined in this Draft Red Herring Prospectus;

16. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

17. Bids accompanied by Stockinvest/money order/postal order/cash;

18. Signature of sole and / or joint Bidders missing;

19. Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members;

20. Bid cum Application Forms does not have Bidder's depository account details;

21. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;

22. 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 Depositary Participant's identity (DP ID) and the beneficiary's account number;

23. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

24. Bids not uploaded in the Book;

25. Bids or revision thereof by QIB Bidders and Non – Institutional Bidders where the Bid amount is in excess of Rs. 100,000, uploaded after 4.00 p.m. or any such time as prescribed by Stock Exchange on the Bid/Issue closing Date;

26. Bids which do not comply with securities laws at their specific jurisdictions;

27. Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;

28. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

29. Bids by QIBs not submitted through the BRLMs or their affiliates;

30. Bids by QIBs not submitted through members of the Syndicate;

31. Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

32. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and

33. Bids by persons who are not eligible to acquire Equity Shares of our Company in terms of all applicable laws, rules, regulations, guidelines and approvals.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised 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 agreements have been signed among our Company, the respective Depositories and Link Intime India Private Limited:

(a) Tripartite Agreement dated [●], between NSDL, our Company and Karvy Computershare Private Limited;

(b) Tripartite Agreement dated [●], between CDSL, our Company and Karvy Computershare Private Limited.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) 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.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

(d) 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 account details in the Depository.

(e) 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.

(f) 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 or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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 accounts, refund orders etc.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS/NECS – Payment of refund would be done through ECS/NECS for applicants having an account at any of the centres where such facility has been made available. 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 centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS or NEFT.

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 centres where such facility has been made available and whose refund amount exceeds Rs. One 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. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be 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.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

Our Company and the Selling Shareholder shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS/NECS, direct credit or RTGS/NEFT, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company and the Selling Shareholder shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

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

(a) Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;

(b) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid/Issue Closing Date would be ensured; and

(c) The Selling Shareholder has authorised our Company to pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any

other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

2. The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

3. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

4. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

2. The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

3. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

4. In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

5. 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 Allotment to all the QIB Bidders will be made at the Issue Price.

6. The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

7. Allotment shall be undertaken in the following manner:

   (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

(i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor 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 for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs 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 Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis

8. The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

D. For Anchor Investor Portion

1. Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the following requirements:

(a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;
(b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors;
(c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to Rs. 2,500 million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.

2. The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid Opening Date by intimating the stock exchanges and uploading the said details on the websites of the BRLMs and on the terminals of the Syndicate Members

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the

Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised 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.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

    (i) 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; and

    (ii) Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] 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 that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted 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.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

(Number of equity shares in million)

Sr. No.	Particulars	Issue details
1.	Issue size	200
2.	Allocation to QIB (60%)	120
3.	Anchor Investor Portion	36
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84
	Of which:	
	a. Allocation to MF (5%)	4.20
	b. Balance for all QIBs including MFs	79.8
3	No. of QIB applicants	10
4	No. of shares applied for	500

B. Details of QIB Bids

(Number of equity shares in million)

Sr. No.	Type of QIB bidders#	No. of shares bid for
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

 # A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of five million Equity Shares to MF proportionately (please see note two below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note four below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	5	0	0.960	0
A2	2	0	0.384	0
A3	13	0	2.495	0
A4	5	0	0.960	0
A5	5	0	0.960	0
MF1	4	0.10	0.748	0.848
MF2	4	0.10	0.748	0.848
MF3	8	0.20	1.497	1.697
MF4	2	0.05	0.374	0.424
MF5	2	0.05	0.374	0.424
	50	**0.50**	**9.50**	**4.242**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in "Issue Structure" on page 213 of this Draft Red Herring Prospectus.

2. Out of 100 million Equity Shares allocated to QIBs, five million (i.e. 5%) will be allocated on proportionate basis among Mutual Fund applicants who applied for 20 shares in QIB category.

3. The balance 95 million Equity Shares, i.e. 10 – 0.50 (available for Mutual Funds only) will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including five Mutual Fund applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 95 million crore Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   (a) For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 9.5 /49.50;

   (b) For Mutual Funds (MF1 to MF5)= {(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)} X 9.5

/49.50; and

(c) The numerator and denominator for arriving at allocation of 9.50 crore Equity Shares to the 10 QIBs are reduced by 0.50 crore shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

Our Company and Selling Shareholder shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allotment. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar

Our Company and the Selling Shareholder agree that the allotment of Equity Shares in the Issue shall be made not later than 15 days of the Bid/ Issue Closing Date. The Selling Shareholder has authorised our Company and we further agree that we shall pay interest at the rate of 15% p.a. if the allotment letters or refund orders have not been despatched 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 in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

Our Company 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 our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by our Company and the Selling Shareholder

Our Company undertakes the following:

1. That the complaints received in respect of this 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 the Stock Exchanges where the Equity Shares are proposed to be listed within seven 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 the Issuer;

4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, 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;

5. That the Promoter's contribution in full has already been brought in (N.A.);

6. That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;

7. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

8. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Selling Shareholder undertakes that:

1. The Equity Shares being sold pursuant to the offer to the public, have been held by us for a period of more than one year and the Equity Shares are free and clear of any liens or encumbrances, and shall be transferred to the eligible investors within the specified time;

2. That the complaints received in respect of this Issue shall be attended to by the Selling Shareholder expeditiously and satisfactorily and for the purpose the Selling Shareholder has authorised the Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;

3. That the refund orders or Allotment advice to the successful Bidders shall be dispatched within specified time; and

4. That the Selling Shareholder shall not have recourse to the proceed of the Issue until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

Our Company in consultation with the Selling Shareholder and the BRLMs, reserves the right not to proceed with the Issue. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company and the Selling Shareholder shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Utilisation of Issue proceeds

The Board of Directors of our Company certify that:

1. All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

2. Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

3. Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

4. the utilisation of monies received under Promoter’s contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

5. the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

6. Our Company and the Selling Shareholder shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

7. Our Company shall transfer to the Selling Shareholder, the net proceeds of the Offer for Sale, on the same being permitted to be released in accordance with applicable laws.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on Designated Branches, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red

Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be [●].

Who can Bid?

In order to be eligible to apply under the ASBA, an ASBA Bidder has to satisfy the following conditions:

(a) The ASBA Bidder should be a Retail Individual Bidder;

(b) The ASBA Bidder should be a person resident in India as defined in the FEMA;

(c) The ASBA bid should be made through the blocking of funds in a bank account with the SCSBs;

(d) The ASBA Bidder should Bid only at Cut-off Price;

(e) The ASBA Bidder should bid with only a single option as to the number of Equity Shares; and

The ASBA Bidder should agree not to revise his Bids.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

(a) The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.

(b) ASBA Bidders, under the ASBA process, who would like to obtain the Draft Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

(c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

(d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.

(e) ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

(f) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

(g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

(h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the Demographic Details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

(i) ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

(a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI ICDR Regulations and Red Herring Prospectus.

(b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.

(c) Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.

(d) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(f) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generates a Transaction Registration Slip ("TRS"). The TRS shall be furnished to the ASBA Bidder on request.

(g) An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum

Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

(a) The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

(b) Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLMs, the SCSBs and at the terminals of the members of the Syndicate.

(d) Our Company in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

(e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

(f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI ICDR Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

(a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

  (i) it has received the ASBA in a physical or electronic form; and

  (ii) it has blocked the application money in the ASBA Account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

(b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.

(d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

  (i) Name of the Bidder(s);
  (ii) Application Number;
  (iii) Permanent Account Number;
  (iv) Number of Equity Shares Bid for;
  (v) Depository Participant identification number; and
  (vi) Client identification number of the Bidder’s beneficiary account.

(e) In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

(f) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder’s responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.

(g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(h) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company.

(i) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

(j) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

(a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs and the Stock Exchanges on a regular basis.

(c) ASBA Bidders shall not revise their Bids.

(d) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.

(e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, see "Issue Procedure" on page 217 of this Draft Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the 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 the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the applicable law.

GENERAL INSTRUCTIONS

Do’s:

(a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.

(b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.

(c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).

(d) Ensure that your Bid is at the Cut-off Price.

(e) Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.

(f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.

(g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.

(h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.

(i) Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.

(j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.

(k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.

(l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

(m) Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the Income Tax Act.

(n) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.

(o) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts:

(a) Do not submit an ASBA Bid if you are not a resident as defined in the FEMA and if you are not a Resident Retail Individual Investor.

(b) Do not bid through ASBA at any price within the Price Band other than at Cut-Off Price.

(c) Do not bid through ASBA with more than a single option as to the number of Equity Shares.

(d) Do not submit an ASBA Bid if you are applying under any reserved category.

(e) Do not revise your Bid.

(f) Do not Bid for lower than the minimum Bid size.

(g) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

(h) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

(i) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

(j) Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 100,000.

(k) Do not submit the GIR number instead of the PAN Number.

(l) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

(a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

(d) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.

(e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA 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 ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, our Company or the Selling Shareholder shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. 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 described in "Issue Procedure - Multiple Bids" on page 234 of this Draft Red Herring Prospectus.

Permanent Account Number

For details, see "Permanent Account Number or PAN" on page 235 of this Draft Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "Grounds for Rejections" on page 235 of this Draft Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;

2. Bids for a value of more than Rs. 100,000 by ASBA Bidders;

3. Bids at a price other than at the Cut-off Price;

4. Age of first Bidder not given;

5. PAN not stated, or GIR number furnished instead of PAN;

6. Bids for number of Equity Shares, which are not in multiples of [●];

7. Bid made by categories of investors other than Resident Retail Individual Investors;

8. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;

9. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;

10. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;

11. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;

12. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;

13. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;

14. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and

15. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the Selling Shareholder, the BRLMs, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see "Issue Procedure- Impersonation" on page 239 of this Draft Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

Our Company undertakes that:

1. Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and

2. Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see "Issue Procedure- Basis of Allotment" on page 240 of this Draft Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to the undertakings described under “Issue Procedure - Undertaking by our Company”, with respect to the ASBA Bidders, our Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

The Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see “Issue Procedure- Utilisation of Issue Proceeds” on page 245 of this Draft Red Herring Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI ("**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.

Press Note 4 of 2001 issued by the DIPP states that the defense industry sector is opened up to 100% for Indian private sector participation with FDI permissible up to 26%, both subject to licensing. Press Note No. 2 of 2002 prescribes guidelines for licensing the production of arms and ammunitions by the DIPP in consultation with the MoD and provides that cases involving FDI will be considered by the FIPB in consultation with the MoD. As per the policy on FDI contained in the Annexure to Press Note 7 of 2008, FDI up to 26% is permitted in the defense production sector, subject to licensing under the Industries (Development and Regulation) Act, 1951 and guidelines on FDI in the production of arms and ammunition.

Our Company will make an application to the FIPB for its approval in relation to the participation of eligible non-residents including NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions in the Issue and also for certain ex post facto approvals in relation to existing and proposed investments in the Company.

The Company has further undertaken to make applications to the Reserve Bank of India pursuant to obtaining the approval of the FIPB in relation to the Offer for Sale and in relation to certain existing and proposed investments in the Company.

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

CAPITAL

Article 1 provides that

Authorised Share Capital

The authorized share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association.

Article 2 provides that

Shares at the Disposal of the Directors

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its 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 person or persons without the sanction of the Company in the General Meeting.

Article 3 provides that

Consideration for Allotment

The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.

Article 5 provides that

Increase of Capital

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

Article 6 provides that

Reduction of Capital

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

Article 7 provides that

Sub-division and Consolidation of Share Certificate

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 9 provides that

Power to issue Shares with differential voting rights

The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

Article 10 provides that

Power to issue preference shares

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

Article 11 provides that

Further Issue of Shares

(1) Where at any 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 then

a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

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 think most beneficial to the Company

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To 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.

(4) 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 debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

Article 15 provides that

Money due on shares to be a debt to the Company

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Article 16 provides that

Members or heirs to pay unpaid amounts

Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

Article 17 provides that

a) *Every Member entitled to certificate for his shares*

(i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-divisions of the shares of the Company.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Company Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the Company Secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

b) *Joint ownership of shares*

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

c) *Director to sign Share Certificates*

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials used for the purpose.

d) *Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provision of these Articles shall mutatis mutandis apply to debentures of the Company.

e) *Renewal of Share Certificate*

When a new share certificate has been issued in pursuance of clause (d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No………….. sub-divided/replaced on consolidation of shares.

When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

f) All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

Article 20 provides that

Rights of Joint Holders

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

LIEN

Article 24 provides that

Company's lien on shares /debentures

The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

CALLS ON SHARES

Article 27 provides that

Board to have right to make calls on shares

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

Article 32 provides that

Calls to carry Interest

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Article 36 provides that

Payment in anticipation of call may carry interest

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied 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, as the member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

FORFEITURE OF SHARES

Article 37 provides that

Board to have right to forfeit shares

If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the

Company by reason of such non-payment.

Article 38 provides that

Notice for forfeiture of shares

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

Article 39 provides that

Effect of forfeiture

If the requirements of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

Article 42 provides that

Member to be liable even after forfeiture

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

Article 48 provides that

Register of Transfers

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

Article 49 provides that

Endorsement of Transfer

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

Article 50 provides that

Instrument of Transfer

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

Article 53 provides that

Directors may refuse to register transfer

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. 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 whatsoever except where the Company has a lien on shares.

Article 56 provides that

Title to shares of deceased members

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member

Article 57 provides that

Transfers not permitted

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

Article 58 provides that

58. Transmission of shares

Subject to the provisions of these presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

Article 60 provides that

Instrument of transfer to be stamped

Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Article 62 provides that

No fee on Transfer or Transmission

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

Article 64 provides that

Dematerialisation of Securities

(i) Definitions: For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a depository.

"*Bye-Laws*" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

"*Depositories Act*" means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

"*Member*" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"*Participant*" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

"*Record*" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered Owner*" means a depository whose name is entered as such in the records of the Company.

"*SEBI*" means the Securities and Exchange Board of India

"*Security*" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(ii) *Company To Recognize Interest In Dematerialized Securities Under The Depositories Act, 1996.*

Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) *Dematerialisation / Re-Materialisation Of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(iv) *Option To Receive Security Certificate Or Hold Securities With Depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(v) *Securities In Electronic Form*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) *Beneficial Owner Deemed As Absolute Owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, Trust Equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) *Rights Of Depositories And Beneficial Owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(viii) *Register And Index Of Beneficial Owners*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(ix) *Cancellation Of Certificates Upon Surrender By Person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

(x) *Service Of Documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) *Allotment Of Securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) *Transfer Of Securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(xiii) *Distinctive Number Of Securities Held In A Depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(xiv) *Provisions Of Articles To Apply To Shares Held In Depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(xv) *Depository To Furnish Information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) *Option To Opt Out In Respect Of Any Such Security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) *Overriding Effect Of This Article*

Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

Article 66 provides that

Buy Back of shares and other securities

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof.

Article 67 provides that

Copies of Memorandum and Articles to be sent to members

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of such sum as may be prescribed.

SHARE WARRANTS

Article 68 provides that

Rights to issue share warrants

(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) 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) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Article 72 provides that

Rights to convert shares into stock & vice-versa

The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

GENERAL MEETINGS

Article 74 provides that

Annual General Meetings

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

Article 75 provides that

Extraordinary General Meetings

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

Article 76 provides that

Extraordinary Meetings on requisition

The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

Article 77 provides that

Notice for General Meetings

All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

Article 79 provides that

Special and Ordinary Business

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

Article 85 provides that

Voting at Meeting

At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Article 86 provides that

Decision by poll

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

VOTE OF MEMBERS

Article 90 provides that

Voting rights of Members

a) On a show of hands every member holding equity shares and present in person shall have one vote.

b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

Article 93 provides that

Proxy

On a poll, votes may be given either personally or by proxy.

DIRECTOR

Article 98 provides that

Number of Directors

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

Article 101 provides that

Additional Directors

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

Article 102 provides that

Alternate Directors

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months form the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.

Article 103 provides that

Remuneration of Directors

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

Article 104 provides that

Remuneration for extra services

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions 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 our in substitution for any other remuneration to which he may be entitled.

Article 113 provides that

Power to remove Director by ordinary resolution

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

Article 118 provides that

Meetings of the Board

a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

Article 131 provides that

Debenture Directors

Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

Article 132 provides that

Nominee Directors

a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

   The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is//are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer. .

Article 133 provides that

Register of Charges

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

Article 136 provides that

Powers to be exercised by Board only by Meeting

a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

   (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;

   (ii) Power to issue debentures;

   (iii) Power to borrow money otherwise than on debentures;

   (iv) Power to invest the funds of the Company;

   (v) Power to make loans.

b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

Article 137 provides that

a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

d) If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

e) The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

Article 138 provides that

Powers and duties of Managing Director or whole-time Director

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

Article 139 provides that

Remuneration of Managing Directors/whole time Directors

Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

Article 140 provides that

Reimbursement of expenses

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

Article 141 provides that

Business to be carried on by Managing Directors/ Whole time Directors

a. The Managing Directors\whole-time shall have subject to the supervision, control and discretion of the broad, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

b. Without prejudice to the generally of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and he shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

c. The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

Article 144 provides that

Right to dividend

a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

Article 145 provides that

Declaration of Dividends

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

Article 146 provides that

Interim Dividends

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

Article 147 provides that

Dividends to be paid out of profits

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

Article 150 provides that

Adjustment of dividends against calls

Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, 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 members be set off against the call.

Article 155 provides that

Unpaid or Unclaimed Dividend

(a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank called “ICOMM Unpaid Dividend Account”.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investors Education And Protection Fund established under section 205C of the Act.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

CAPITALISATION OF PROFITS

Article 156 provides that

Capitalisation of Profits

a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Article 157 provides that

Power of Directors for declaration of bonus issue

a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members , credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

Article 158 provides that

Books of Account to be kept

a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns made upto date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

AUDIT

Article 162 provides that

Accounts to be audited

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

a. The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

b. Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.

c. The Company shall within seven days of the Central Government's power under sub clause (c.) becoming exercisable, give notice of that fact to the Government.

d. The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

e. A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

f. The persons qualified for appointment as Auditors shall be only those referred to in Section

226 of the Act.

g. None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

SERVICE OF DOCUMENTS AND NOTICE

Article 166 provides that

How Document is to be served on members

a) A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him.

b) All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.

c) *Where a document is sent by post*

(i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and

(ii) Unless the contrary is provided, such service shall be deemed to have been effected

a. In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and

b. In any other case, at the time at which the letter would be delivered in ordinary course of post.

Article 170 provides that

Persons entitled to notice of General Meetings

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

(i) To the members of the Company as provided by these presents

(ii) To the persons entitled to a share in consequence of the death or insolvency of a member.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any member or members of the Company.

WINDING UP

Article 175 provides that

Application of assets

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company.

Article 176 provides that

Division of assets of the Company in specie among members

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

Article 177 provides that

Director's and others' right to indemnity

a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court.

Article 178 provides that

Not responsible for acts of others

a) Subject to the provisions of Sec. 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office of in relation thereto, unless the same happens through his own willful act or default.

b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

Article 108 provides that

Overriding effect and interpretation

a) Subject to the requirements of applicable Law, in the event of any conflict between the provisions of Articles 1 to 180 and Articles 181 to 184, the provisions of Articles 181 to 184 shall apply:

b) Unless the context otherwise requires, words or expressions contained in Articles 181 to 184 shall have the meaning as provided below. Provided that any terms and expressions used but not defined specifically in Articles 181 to 184 shall have the same meaning as ascribed to them in Articles 1 to 180 or in the Act or any statutory modification thereof.

c) Notwithstanding any other provision of these Articles:

   (i) Article 183 and 184 (b) shall terminate on the earlier of the date of (a) the third anniversary of the listing of the equity shares of the Company on the Bombay Stock Exchange and/or National Stock Exchange (whichever occurs earlier), or (b) upon termination of the Definitive Agreements; and

   (ii) Article 184 (a) shall terminate on the earlier of the date of (a) listing of the equity shares of the Company on the Bombay Stock Exchange and/National Stock Exchange (whichever occurs earlier), or (b) upon termination of the Definitive Agreements.

Article 182 provides that

Capitalised Terms

a) "Definitive Agreements" shall mean the following:

   (i) Shareholders Agreement dated February 6, 2008 amongst the Company, certain shareholders of the Company and the Investor, as amended from time to time;
   (ii) Supplementary Shareholders Agreement dated March 20, 2008 amongst the Company, certain shareholders of the Company, the Investor and TANO, as amended from time to time.

b) "Group Entities" shall mean Isitva Ventures Private Limited, Mr. Paturu Ramarao (Bigger HUF) and Mr. Paturu Ramrao (Smaller HUF).

c) "Independent Director/s" means an independent director as defined in the listing agreement of the Bombay / National Stock Exchange who is well reputed and possessing a strong functional expertise beneficial to the Company or its Subsidiaries as the case may be. The Independent Director/s shall not be related to any of the Parties or the Directors appointed by such Parties.

d) "Investor" shall mean India Growth Fund, a unit scheme of Kotak SEAF India Fund, a Trust which is registered with the Securities and Exchange Board of India as a venture capital fund, whose trustee is Kotak Mahindra Trusteeship Services Limited, being represented herein by its Investment Manager, Kotak Investment Advisors Limited, a company, incorporated under the Companies Act and having its registered office at 36-38A Nariman Bhavan, 227 Nariman Point, Mumbai 400 021;

e) "Investor Director" shall mean the person nominated as Director by the Investor and duly appointed in accordance with provisions of the Definitive Agreements.

f) "Parties" shall mean all signatories to the Definitive Agreements.

g) "Promoter" shall mean Mr. Paturu Sumanth.

h) "Promoter Group" shall mean Mr. Paturu Ramrao and Smt. P. Vijaya Lakshmi.

i) "Promoter Director" means any person nominated as a Director by the Relevant Shareholders and/ or any of their Affiliates."

j) “Relevant Shareholders” means the Promoter, Promoter Group and Group Entities;

k) “TANO” shall mean Tano Mauritius India FVCI, a company registered under the laws of Mauritius which is registered with the Securities and Exchange Board of India as a foreign venture capital fund and having its principal office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius.

Article 183 provides that

Management of the Company

a) The Board of the Company shall have a maximum of 12 (Twelve) Directors to be nominated and appointed as follows and which number of directors shall not be changed except pursuant to an amendment to the Articles of Association of the Company. For the term of the Definitive Agreements, the Investor shall be entitled to nominate 1 (One) Director to the Board. The Investor shall be entitled to nominate alternate directors to the Investor Director mentioned above. The Board will constituted in accordance with the terms of Clause 49 of the Listing Agreement or its equivalent as amended from time to time. The Company will appoint Independent Directors as required by the regulations applicable to listed companies. The Investor Directors will not be considered Independent Directors.

b) TANO shall have the right to nominate one Observer to the Board of Directors of the Company. The Promoters undertake not to veto or otherwise obstruct the appointment of TANO’s nominee as observer to the Board. The Observer shall have the right to attend the Board Meetings of the Company.

c) The quorum at the time of commencement of the meeting and passing of any resolution at a meeting of the Board, shall require the presence of at least 2 (Two) Directors or one third of the total strength of the Board of Directors, whichever is higher. It is clarified that for the purpose of a valid quorum at least one the Director present at a Board meeting shall be a Director other than a Promoter Director.

d) If a quorum is not present within half an hour of the time appointed for the meeting or ceases to be present, the meeting shall stand automatically adjourned by a week at the same time and the same location, unless all Directors agree otherwise. If at such adjourned meeting also, the quorum is not present within half an hour of the time appointed for the meeting or ceases to be present, the Directors present shall constitute quorum.

e) No circular resolution of the Board shall be valid unless the same has been circulated to the Directors whether in India or abroad and whether in written form or by electronic mail for a minimum period of 2 (two) days and has been signed by all the Directors either in favour of or against the resolution, provided that for the purpose of passing a valid circular resolution, at least one Director who is not a Promoter Director votes in favour of such a resolution. If any Director fails or refuses to sign such circular resolution within 7 (Seven) days, he shall be deemed to have rejected the resolution circulated to the Directors for approval.

f) The Board shall establish an Audit Committee and a Compensation Committee to manage the audit and compensation affairs, respectively, of the Company. The Investor Director shall be entitled to be members to the Audit Committee and the Compensation Committee. The composition of all other committees as may be established by the Company from time to time shall be as specified in this Clause. One of the members of the Committees shall be designated as Chairman of the respective committee.

g) If so formed by the Board for discharge of specific functions, the Observer appointed by TANO shall be entitled to attend the meetings of the (i) Audit Committee, (ii) Compensation Committee, and (iii) IPO Committee.

Article 184 provides that

Information and Inspection Rights

a) The Company shall deliver to the Investor and TANO, (i) audited consolidated annual financial statements including cash flow statements within 90 (Ninety) days after the end of each Financial Year; (ii) un-audited consolidated quarterly financial statements including cash flow statements within 45 (Forty Five) days of the end of each quarter; (iii) un-audited consolidated monthly financial statements within 15 (Fifteen) days of the end of each calendar month; (iv) Minutes of meetings of the Shareholders and Board of the Company and its Subsidiaries within 10 (Ten) days of the respective meeting; (v) an annual operating financial budget for the next year as approved by the Board of Directors of the Company and its Subsidiaries, at least 30 (Thirty) days prior to the beginning of the relevant Financial Year; and (vi) additional information as reasonably requested by the Investor. All financial statements shall include a balance sheet, income statement, a statement of cash flows prepared in accordance with Indian GAAP / GAAP of the country where the Subsidiaries of the Company are incorporated, as applicable. All annual audited financial statements shall be prepared by the Auditor of the Company.

b) After listing of the equity shares of the Company, only such information as is provided to the stock exchanges under the terms of the listing agreement or is otherwise publicly available shall be provided to the Investor and TANO under applicable law/regulations.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following contracts which have been entered or are to be entered into by our Company *(not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Draft Red Herring Prospectus delivered to the Registrar of Companies, Andhra Pradesh at Hyderabad for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office of our Company located Third Floor, Trendset Towers, Beside L.V. Prasad Eye Hospital, Road No. 2, Banjara Hills, Hyderabad 500 034 from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.*

A. Material Contracts for our Company

1. Lease Deeds for the Registered Office of the Company dated March 7, 2003.
2. Memorandum of Understanding entered into between the Company and JSC Purpetruboprovodstroy dated October 21, 2009.
3. Equipment Supply Agreement entered into between the Company and Telsima Corporation dated May 27, 2009.
4. Supply Agreement entered into between the Company and Gemtek Technology Company Limited and Beceem Communications Inc. dated June 11, 2009.
5. Material Supply Agreement between our Company and ACD Communications Private Limited dated March 30, 2010.
6. Material Supply Agreement between our Company and Isitva Steel Private Limited dated March 30, 2010.
7. Material Supply Agreement between our Company and Isitva Fasteners Private Limited dated March 30, 2010.
8. Memorandum of Understanding entered into between our Company and Isitva Ventures Private Limited dated December 1, 2008.
9. Agreement to Sell dated March 15, 2010 between IGF and ICOMM Tele Employee Welfare Trust.
10. Agreement dated March 15, 2010 between our Company, IGF and ICOMM Tele Employee Welfare Trust.
11. Shareholders Agreement with IGF, Tano and others dated March 20, 2008 as amended by the Amendment Agreement dated March 18, 2010.
12. Shareholders Agreement dated February 6, 2008 between the Company, IGF, Promoter and others as amended by the Amendment Agreements dated March 18, 2010.
13. Shareholders Agreement with IGF, Tano and others dated March 20, 2008 as amended by the Amendment Agreement dated March 18, 2010.
14. Supplementary Shareholders Agreement with India Growth Fund and Tano Mauritius India FVCI dated March 20, 2008.
15. Share Subscription Agreement and Shareholders Agreement with India Growth Fund dated February 6, 2008.

B. Material Documents

1. Letter of Engagement dated February 22, 2010 issued by our Company for the appointment of the BRLMs.

2. Issue Agreement dated March 30, 2010 between our Company, the Selling Shareholder and the BRLMs.

3. Memorandum of Understanding dated March 18, 2010 between our Company, the Selling Shareholder and the Registrar to the Issue.

4. Escrow Agreement dated [●] between our Company, the BRLMs, the Selling Shareholder, Escrow Collection Bank and the Registrar to the Issue.

5. Underwriting Agreement dated [●] between our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

6. Syndicate Agreement dated [●] between our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

7. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.

8. Certificate of Incorporation dated January 30, 1989 issued to the Company under the name Advanced Radio Masts Private Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

9. Fresh Certificate of Incorporation dated July 31, 1992 issued to the Company upon change of name to Advance Radio Masts Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

10. Fresh Certificate of Incorporation dated September 15, 1995 issued to the Company upon change of name to ARM Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

11. Fresh Certificate of Incorporation dated November 12, 2002 issued to the Company upon change of name to ICOM Tele Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

12. Fresh Certificate of Incorporation dated February 6, 2003 issued to the Company upon change of name to ICOMM Tele Limited by the Registrar of Companies, Andhra Pradesh at Hyderabad.

13. Resolutions of the Board of Directors of the Company dated March 15, 2010 in relation to the Issue and other related matters.

14. Shareholders' resolution dated March 18, 2010 in relation to this Issue and other related matters.

15. Board Resolution of Isitva Ventures Private Limited authorizing the Offer for Sale.

16. The examination report of Nataraja Iyer and Co. Chartered Accountants and Deloitte Haskins and Sells, Chartered Accountants the joint Auditors, dated Macrh 30, 2010 prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus together with copies of balance sheet and profit and loss account of our Company referred to therein.

17. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on restated accounts and summary statements in the form and context in which they appear in this Draft Red Herring Prospectus.

18. The Statement of Tax Benefits dated March 30, 2010 from our Company's statutory auditors.

19. Certificate dated March 30, 2010 from C. Narayan, independent practicing Chartered Accountant in relation to deployment of the loan availed from IL&FS Financial Services Limited for the same purpose for which it was sanctioned.

20. Consent of Directors, BRLMs, the Syndicate Members, Legal Advisors to the Issue, Registrars to the Issue, Escrow Collection Banker, Banker to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

21. Resolution of the Members passed at the Annual General Meeting held on February 26, 2010 appointing Nataraja Iyer and Co., Chartered Accountants and Deloitte Haskins and Sells, Chartered Accountants as statutory auditors for fiscal 2009-2010.

22. Board resolution dated September 26, 2008 and Shareholder Resolution dated November 21, 2008, in relation to the appointment and remuneration of Sumanth Paturu, Managing Director.

23. Board resolution dated March 30, 2009 and Shareholder Resolution dated February 26, 2010, in relation to the appointment and remuneration of Mohanram, Managing Director.

24. Board resolution dated August 28, 2009, and Shareholder Resolution dated February 26, 2010, in relation to the appointment and remuneration of Trilochan Panda, Director (Finance).

25. Due Diligence Certificate dated March 30, 2010 addressed to SEBI from the BRLMs.

26. In principle listing approvals dated [●] and [●] issued by NSE and BSE respectively.

27. Tripartite Agreement dated [●] our Company, NSDL and the Registrar to the Issue.

28. Tripartite Agreement dated [●] between our Company, CDSL and the Registrar to the Issue.

29. IPO Grading Report dated [●] by [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines issued thereunder or regulations issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF THE COMPANY

Pradeep Shankar
Chairman & Non Executive Director

Sumanth Paturu
Managing Director

Mohanram Subbarao
Managing Director

Trilochan Panda
Director (Finance)

Chundum Sambasiva Rao
Non Executive Director

Dr. Arogyaswamy Joseph Paulraj
Non Executive and Independent Director

Maj.Gen (Retired) Paramjit Singh Arora
Non Executive and Independent Director

Venkata Ramakrishna Kunisetty
Nominee Director

Percy Homi Italia
Non Executive and Independent Director

SIGNED BY THE DIRECTOR (FINANCE) OF THE COMPANY

Trilochan Panda
Director (Finance)

Date : March 30,2010

Place : Hyderabad

DECLARATION OF THE SELLING SHAREHOLDER

We, the Selling Shareholder, certify that the statements made by the Selling Shareholders in this Draft Red Herring Prospectus about or in relation to the Selling Shareholder and their Equity Shares being offered pursuant to the Offer for Sale are true and correct.

SIGNED BY THE SELLING SHAREHOLDER

For and on behalf of Isitva Ventures Private Limited

Date : March 30,2010

Place : Hyderabad

ANNEXURE