



OMNITECH INFOSOLUTIONS LIMITED

(Our Company was incorporated on January 30, 1990 as OMNITECH BUSINESS MACHINES PRIVATE LIMITED, under the Companies Act, 1956, with the Registration Number 11-55256. The name of our Company was changed to OMNITECH INFOSOLUTIONS PRIVATE LIMITED on January 9, 2001 and subsequently to OMNITECH INFOSOLUTIONS LIMITED on April 12, 2001. For details on changes to our Registered Office, please refer to the chapter titled "History and Other Corporate Matters" beginning on page 102 of the Red Herring Prospectus.)

Registered and Corporate Office: "OMNITECH HOUSE", Plot No. A/13, Cross Road No. 5, Marol M.I.D.C, Andheri East, Mumbai-400 093, India.

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PUBLIC ISSUE OF [●] EQUITY SHARES OF RS.10 EACH AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AGGREGATING RS. 3500 LACS (HEREINAFTER REFERRED TO AS THE "ISSUE"), INCLUDING EMPLOYEE RESERVATION OF [●] EQUITY SHARES AGGREGATING TO RS. 175 LACS (HEREINAFTER REFERRED TO AS THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION I.E. [●] EQUITY SHARES AGGREGATING TO RS. 3325 LACS SHALL BE HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE WOULD CONSTITUTE [●]% OF THE POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

PRICE BAND: RS. 90 TO RS. 105 PER EQUITY SHARE OF RS.10 EACH

THE ISSUE PRICE IS 9TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 10.5 TIMES OF THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

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

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Further, at least 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and at least 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Further, [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees subject to valid Bids being received at or above the Issue Price. Our Company has not opted for IPO Grading.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the shares is Rs 10/- and the Issue Price is 9 times of the face value at the lower end of the Price Band and 10.5 times of the face value at the higher end of the Price Band. The Issue Price (as determined by the Company, in consultation with the BRLM and Co-BRLM on the basis of assessment of market demand for the Equity Shares by way of Book Building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS




Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares issued in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the statements in the chapter titled "Risk Factors" beginning on page 13 of the Red Herring Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Red Herring Prospectus contains all information with regard to the Company and this Issue, which is material in the context of this Issue, that the information contained in the 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 make the 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 issued through the Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). We have received the in-principle approvals from these Stock Exchanges for the listing of our Equity Shares pursuant to letters dated December 8, 2006 and January 4, 2007 respectively. For the purpose of this Issue, BSE is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS	CO- BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE ISSUE
 UTI BANK Solutions for a lifetime UTI Bank Limited 111, Maker Towers, F, Cuffe Parade, Colaba, Mumbai – 400 005. Tel: +91-22-2216 1341, Fax: +91-22-2216 2467 E-mail: utibmbd@utibank.co.in Website: www.utibank.com Contact Person: Mr. Mahesh Kajarekar / Mr. Amit Shah	 India Infoline Limited Building No. 35A, Nirlon Complex, Off Western Express Highway, Goregaon (East), Mumbai- 400 063 Tel: +91-22-40609311 Fax : +91-22-26850451 E-mail: omnitech_ipo@indiainfoline.com Website: www.indiainfoline.com Contact Person: Mr. Piyush Bothra / Mr. Kartik Shah	 Intime Spectrum Registry Limited C-13 Pannalal Mills Compound L.B.S Marg, Bhandup (West) Mumbai – 400 078 Tel: +91-22-2596 0320 (9 lines), Fax: + 91-22-2596 0329 E-mail: omnitech-ipo@intimespectrum.com Website: www.intimespectrum.com Contact Person: Mr. Salim Shaikh

BID/ISSUE PROGRAMME

BID / ISSUE OPENS ON	July 19, 2007	BID / ISSUE CLOSES ON	July 25, 2007
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SECTION: I - GENERAL

DEFINITIONS AND ABBREVIATIONS

TERM	DESCRIPTION
“Omnitech”, “our Company, “the Company” and “Issuer”	Unless the context otherwise requires, refers to OMNITECH INFOSOLUTIONS LIMITED, a public limited company incorporated under the Companies Act, 1956.
“we” or “us” or “our”	Unless the context otherwise requires, refers to OMNITECH INFOSOLUTIONS LIMITED, as described in the Red Herring Prospectus.
Promoters	Unless the context otherwise requires, refers to Mr. Atul M. Hemani, Mr. Avinash C. Pitale, Mr. Devarshi D. Buch, Mrs. Amisha A. Hemani and Mrs. Shubhangi A. Pitale.
Promoter Group Companies	Unless the context otherwise requires, refers to Omnitech Technologies Private Limited and Wintel Computers Private Limited.

General/Conventional Terms:

TERM	DESCRIPTION
Articles / Articles of Association / AoA	The Articles of Association of our Company
Auditors	The statutory auditors of our Company, being M/s Kothari & Kenia, Chartered Accountants
Board of Directors/Board	The Board of Directors of our Company or a Committee thereof.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act
Directors(s)	Director(s) of our Company unless otherwise specified
FEMA	Foreign Exchange Management Act, 1999 and the amendments from time to time and the regulations framed thereunder for the time being in force
Financial Year/ FY / Fiscal	The period of twelve months ended March 31 of that particular year
Memorandum / Memorandum of Association	The Memorandum of Association of our Company
Navi Mumbai Office	Unit 104, Building No. 5, Sector 3, Millennium Business Park, M.I.D.C, Mahape, Navi Mumbai-400 709, Maharashtra, India
NRI / Non-Resident	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, each such term as defined under the FEMA (Deposit) Regulations 2000, as amended
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs, directly or indirectly, as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. OCBs are not permitted to invest in this Issue.
Registered Office of our Company / Registered and Corporate Office of our Company/Head Office	“OMNITECH HOUSE”, Plot No. A/13, Cross Road No.5, Marol M.I.D.C., Andheri East, Mumbai – 400 093, India.
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time

TERM	DESCRIPTION
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI MAPIN Regulations	The SEBI (Central Database of Market Participants) Regulations, 2003 as amended from time to time.
Technology Centre	The Registered Office of our Company
TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid

Issue related Terms and Abbreviations

TERM	DESCRIPTION
Allotment/Allotment of Equity Shares	Unless the context otherwise requires, issue of Equity Shares pursuant to this Issue.
Allottee	The successful Bidder to whom the Equity Shares are being / or have been issued or transferred.
Banker(s) to this Issue/ Escrow Collection Banks	UTI Bank Limited, ICICI Bank Limited, Standard Chartered Bank, Kotak Mahindra Bank Limited.
Bid	An indication to make an offer, made during the Bidding period by a prospective investor to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-application Form and payable by the bidder on submission of the Bid for this Issue.
Bid/Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper in Marathi.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase the Equity Shares of the Company and which will be considered as the application for allotment of the Equity Shares in terms of the Red Herring Prospectus.
Bid / Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper in Marathi.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form.
Bidding Period / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process	Book building mechanism as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is made.
BRLM	Book Running Lead Manager to this Issue, in this case being UTI Bank Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of Issue Price in the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalized and above which no bids will be accepted.
Co-BRLM	Co- Book Running Lead Manager to the Issue, in this case being India Infoline Limited.
Cut-off	The Issue Price finalized by the Company in consultation with the BRLM and Co-BRLM and it shall be any price within the Price Band. A bid submitted at the Cut-off Price by an Eligible Employee and Retail Individual Bidder is valid Bid at all price levels within the Price Band
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders

Designated Exchange	Stock	BSE
Draft Red Herring Prospectus		The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, 1956, which does not have complete particulars on the price at which the Equity shares are offered and size of this Issue. It will become a Red Herring Prospectus after filing with the RoC at least three days before the opening of the Issue. It will become Prospectus after filing with the RoC after the Pricing Date.
Eligible Employees		Permanent Employees and Directors of our Company, other than Promoter-Directors, who are Indian Nationals based in India as on May 31, 2007 and are present in India on the date of submission of the Bid cum Application Form. The number of Eligible Employees as on May 31, 2007 are 224.
Eligible NRI		NRI is from such jurisdiction outside India where it is not unlawful to make an issue or invitation under the issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares allotted herein.
Employee Reservation Portion		The portion of the issue of [●] Equity Shares aggregating to Rs. 175 Lacs available for allocation to Eligible Employees..
Equity Shares		Equity shares of face value of Rs.10 each of the Company unless otherwise specified in the context thereof.
Escrow Account		Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheque or draft in respect of the Bid Amount when submitting a Bid.
Escrow Agreement		Agreement entered into among the Company, the Registrar to this Issue, the Escrow Collection Bank(s) and the BRLM and Co-BRLM for collection of the Bid Amounts and dispatch of refunds (if any) of the amounts collected, to the Bidders.
First Bidder		The Bidder whose name appears first in the Bid-cum Application Form or Revision Form.
Floor Price		The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted.
Indian GAAP		Generally Accepted Accounting Practices in India.
Issue/Fresh Issue		The Issue of [●] Equity Shares of Rs.10 each fully paid up at the Issue Price of [●] aggregating to Rs. 3500 Lacs.
Indian National		As used in the context of the Employee Reservation Portion, a Citizen of India as defined under the Indian Citizenship Act as amended, who is not an NRI.
Bidding/Issue Period		The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Issue Price		The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by the Company in consultation with the BRLM and Co-BRLM on the Pricing Date.
Margin Amount		The amount paid by the Bidder at the time of submission of the Bid, being 10% to 100% of the Bid Amount.
Mutual Funds		Means mutual fund registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion		5% of the QIB Portion or [●] Equity Shares aggregating to Rs.83 Lacs available for allocation to Mutual Funds only out of the QIB Portion.
Net Issue/ Net Issue to the Public		The Issue less the Employee Reservation Portion aggregating to Rs. 3325 Lacs
Non-Institutional Bidders		All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and have bid for Equity Shares for an amount of more than Rs.1 Lac.
Non-Institutional Portion		The portion of this Issue being at least 15% of the Net Issue consisting of [●] Equity Shares of Rs.10 each aggregating to Rs. 498 Lacs and includes revisions thereof.
Pay-in Date		Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation, who pay less than 100% margin money at the time of bidding, as applicable.
Pay-in-Period		Means: i. with respect to Bidders whose Margin Amount is 100% of the Bid

	<p>Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and</p> <p>ii. with respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date</p>
Price Band	The price band of a minimum price (“Floor Price”) of Rs. 90 and the maximum price (“Cap Price”) of Rs. 105 and includes revisions thereof
Pricing Date	The date on which the Company in consultation with the BRLM and Co-BRLM finalizes the Issue Price
Prospectus	The Prospectus, filed with the RoC containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of this Issue and certain other information.
Public Issue Account	Account opened with the Banker(s) to this Issue to receive monies from the Escrow Account for this Issue on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	Consists of [●] Equity Shares of Rs. 10 each aggregating to Rs. 1663 Lacs being upto 50% of the Net Issue available for allocation to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.
Refund Account(s)	Account(s) opened with Escrow Collection Banks from which refunds if any, shall be made.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, 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 with a minimum corpus of Rs.2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of Rs 2500 Lacs(subject to applicable law).
Registrar / Registrar to the Issue	Intime Spectrum Registry Limited
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for an amount less than or equal to Rs. 1.00 Lac in any of the bidding options in the Issue.
Retail Portion	Consists of [●] Equity Shares of Rs. 10 each aggregating to Rs. 1164 Lacs being at least 35% of the Net Issue available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
Syndicate Member	Intermediaries registered with SEBI and eligible to act as underwriters. The Syndicate Member is appointed by the BRLM and Co-BRLM
Syndicate or Member/s of the Syndicate	The BRLM, Co-BRLM and Syndicate Member
Syndicate Agreement	The agreement to be entered into between the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Underwriters	The BRLM, Co-BRLM and Syndicate Member
Underwriting Agreement	The Agreement among the Underwriter(s) and the Company to be entered into on or after the Pricing Date.

Notwithstanding the foregoing, in the sections titled “ Financial Statements” and “Main Provisions of the Articles of Association of the Company” on page 134 & 208 respectively of the Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company.

Company / Industry Related Terms and Abbreviations

TERM/ABBREVIATION	DESCRIPTION/FULL FORM
AMC	Annual Maintenance Contract
ANSI	American National Standards Institute
APDIMA	Assess, Plan, Design, Implement, Manage and Audit
API	Application Program Interface
ASP	Authorised Service Provider
BCM	Business Continuity Management
BCP	Business Continuity Plan
BDM	Business Development Manager
BFSI	Banking, Financial Services and Insurance
BOT	Build Operate Transfer
BS15000	British Standards 15000
CA	Computer Associates India Technologies Private Limited
CCDA	Cisco Certified Design Associate
CCNA	Cisco Certified Network Administrator
CLS	Continuously Linked Settlements
CRM	Customer Relationship Management
DGTD	Director General of Technical Development
DRI	Disaster Recovery Institute
DRP	Disaster Recovery Plan
DRS	Disaster Recovery Services
EOU	Export Oriented Unit
ESI	EdVenture Systems Inc.
ESTL	EdVenture System Test Lab
GB	Gigabyte
GCC Countries	Gulf Cooperation Council countries comprising of Kingdom of Saudi Arabia, Kuwait, Kingdom of Bahrain, State of Qatar, United Arab Emirates and Sultanate of Oman
GoI	Government of India
GoM	Government of Maharashtra
HDD	Hard Disk Drives
HP	Hewlett-Packard India Sales Pvt. Ltd.
IBM	IBM India Private Limited
IDC	International Data Corporation
IIT	Indian Institute of Technology
IMS	Infrastructure Management Services
IPLC	International Private List Circuit
IS	Information System
ISO 9001:2000	International Standard Organisation 9001:2000 Quality Certification Standard.
ISV	Independent Software Vendor
IT	Information Technology
ITES	Information Technology Enabled Services
ITES-BPO	Information Technology Enabled Services-Business Process Outsourcing
ITIL	IT Infrastructure Library
IV & V	Independent Verification and Validation
JCL	Job Control Language
KPO	Knowledge Process Outsourcing
LAN	Local Area Network
LCD	Liquid Crystal Display
NAS	Network Area Storage
NASSCOM	National Association of Software and Service Companies.
NOC	Network Operations Centre
OEM	Original Equipment Manufacturer

TERM/ ABBREVIATION	DESCRIPTION/FULL FORM
OGC	Office of Government Commerce
OS	Operating System
PC	Personal Computer
PDA	Personal Digital Assistant (a hand held device)
QC	Quality Control
QM	Quality Management
R&D Services	Research and Development Services
RDBMS	Relationship Database Management Systems
RPO	Recovery Objective Point
RTO	Recovery Time Objective
RUP	Rationally Unified Programming
RWTUV	Rheinisch Westfälischer Technischer Überwachungsverein e. V.
SaaS	Software as a Service
SAN	Storage Area Network
SDLC	Software Development Life Cycle
SEI	Software Engineering Institute
SLA	Service Level Agreement
SMS	Short Messaging Service
SRS	Software Requirement Study
STP	Software Technology Park
TB	Terabyte
TCO	Total Cost of Ownership
UAT	User Acceptance Test
VPN	Virtual Private Network
WAN	Wide Area Network

Abbreviations

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BD	Bahraini Dinars
Bn	Billion
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIO	Chief Information Officer
CY	Calendar Year
DGFT	Directorate General of Foreign Trade.
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting of the shareholders
EPS	Earnings per Equity Share.
FCNR Account	Foreign Currency Non Resident Account

ABBREVIATION	FULL FORM
FI	Financial Institution
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
IEC	Importer Exporter Code
Industrial Policy	The Industrial Policy and Guidelines issued thereunder by the Ministry of Industry, Government of India, from time to time
IP	Internet Protocol
IPR	Intellectual Property Rights
I. T. Act	The Income Tax Act, 1961, as amended from time to time
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time, except as stated otherwise
MICR	Magnetic Ink Character Recognition
Mn	Million
MNC	Multi National Corporation
NAV	Net Asset Value
NBFC	Non-Banking Finance Companies
NEFT	National Electronic Fund Transfer
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit after Tax
PBT	Profit before Tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies, Maharashtra, Mumbai.	The Registrar of Companies, Maharashtra, located at 100 Everest Building, Marine Lines, Mumbai – 400 002
RoNW	Return on Net Worth
Rs./ Rupees/INR	Indian Rupees, the legal currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	The Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
Stock Exchanges	BSE and NSE

ABBREVIATION	FULL FORM
Sq.Ft.	Square Feet
TAN	Tax Deduction Account Number
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
UK	United Kingdom
UPS	Uninterrupted Power Supply
USA	United States of America
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America.
VAT	Value Added Tax
YoY	Year on Year

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Unless stated otherwise, the financial information used in the Red Herring Prospectus is derived from our Company's restated financial statements as of and for the years ended March 31, 2007, 2006, 2005, 2004, and 2003 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI Guidelines, as stated in the report of our statutory Auditors, M/s. Kothari & Kenia, Chartered Accountants, included in the Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a fiscal year (e.g., fiscal 2006), are to the fiscal year ended March 31 of a particular year.

The fiscal year of our US subsidiary commences on January 1 and ends on December 31 of a particular year.

In the Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

Market data used in the Red Herring Prospectus has been obtained from industry publications such as NASSCOM and internal Company reports. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe market data used in the Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed to be reliable, have not been verified by any independent source.

In the objects of the Issue the exchange rate used for the purpose of converting USD into Indian Rupees in the Red Herring Prospectus is USD 1.00=Rs. 40.91 as per the RBI reference rate on June 11, 2007

FORWARD-LOOKING STATEMENTS

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

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations that apply to the Indian hardware and software industry;
- Increasing competition in and the conditions of the global and Indian hardware and software industry;
- The ability to successfully implement the strategy, the growth and expansion plans and technological changes;
- The size, timing and profitability of significant services and product sales;
- The mix of the services and product revenues;
- The ability to modify and enhance the suite of service and product offerings based on customer needs and evolving technologies;
- The effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees, particularly information technology, or IT professionals;
- Shortage of IT professionals in India with relevant skill levels;
- The ability to retain our clients and acquire new clients;
- Changes in our pricing policies or those of the competitors;
- Cancellations, contract terminations or deferrals of projects;
- Unanticipated variations in the duration, size and scope of the projects;
- Changes in the value of the Rupee and other currencies;
- Changes in the political and social conditions in India or in the countries that we may enter into, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated fluctuations in interest rates, equity prices or other prices.

For a further discussion of factors that could cause our actual results to differ, see the chapters titled “Risk Factors” “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 13, 78 and 154 of the Red Herring Prospectus respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company, the BRLM and Co-BRLM will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II

RISK FACTORS

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

Unless otherwise stated in the relevant risk factors set forth below, our Company is not in a position to specify or quantify the financial or other implication of any risks mentioned herein.

RISKS ARISING FROM OBJECTS OF THE ISSUE

1. Our Company may be unable to consummate strategic acquisition(s) and/or make investments

The objects of the Issue include strategic acquisitions. Out of the total amount of Rs.1950 Lacs proposed to be utilised for acquisitions, 58.97% of the funds earmarked for acquisitions have no identified targets as on the date of filing the Red Herring Prospectus. Though we have mandated a Merger & Acquisition Agency to identify suitable acquisition target(s), we cannot assure that we would be able to consummate acquisitions or conclude such definitive agreements on terms acceptable to us, or if at all. We cannot assure that our acquisitions, if any, would be at an optimum price, or that the same will not turn out to be overpriced or overvalued, which may adversely affect our projected returns in relation to such acquisition. Further, the inability to identify the right acquisition targets could lead to consequential difficulties like integration of business of both partners, including its operations, personnel, technology and software.

In addition to the above, potential acquisitions could involve a number of specific risks, including diversion of management's attention, higher costs, unanticipated events or circumstances, legal liabilities, failure of the business of the acquired company, fall in value of investments and amortization of acquired intangible assets, some or all of which could have a material adverse impact on our business, financial condition and results of operations. In the event that our Company plans to acquire an overseas entity, our Company may be required to obtain the prior approval of the RBI, other regulators and/or the Government of India and there can be no assurance that such approvals will be obtained in a timely manner or at all.

However, as on the date of filing the Red Herring Prospectus with SEBI, we have not entered into any definitive agreements for our proposed strategic acquisitions.

2. Our Company may incur a financial loss of Rs. 120.00 lacs in the event we do not receive the approval from Maharashtra Industrial Development Corporation on account of delay in making payment of balance amount on land allotted to us at Pune.

Our Company has been allotted land at Rajiv Gandhi Infotech Park Hinjawadi, Pune, for a consideration of Rs.283.22 Lacs out of which a payment of Rs. 120.00 Lacs was paid on application. As per the terms and conditions governing the said allotment, we were required to make the balance payment of Rs.163.22 Lacs within 30 days of the date of order i.e.30 days from May 11, 2007 ("stipulated time period"). In event of failure to pay the balance amount within the stipulated time period, the allotment is liable to be cancelled without further notice. However we have deposited the balance amount of Rs. 163.22 Lacs on June 29, 2007 i.e. 19 days after the expiry of the stipulated time period. In case the said deposited balance amount is not being treated by MIDC as the full and final payment towards the allotment of land, it may result in forfeiture of the application money of Rs. 120.00 Lacs, thereby resulting in financial loss to our Company.

3. *The objects of our Issue have not been appraised by any independent agency.*

The use of proceeds of the Issue will be in accordance with the section titled “Objects of the Issue” beginning on page 49 of the Red Herring Prospectus. These costs related to Objects of our Issue, are based on our internal estimates. No bank or financial institution has appraised the use of proceeds to be raised through the Issue, and their utilization will be based on our management's internal estimates. Any upward variation in estimated cost components may result in cost overrun.

4. *Our Company has not appointed an independent valuer for valuation of assets acquired from ESI.*

As a part of our business strategy, we have acquired business assets of ESI as detailed under chapter “History and Corporate Matters” beginning on 102 of the Red Herring Prospectus. The valuation of business assets has been based on internal assessments and no independent valuation agencies have been appointed for purposes of such valuation. These valuations may not necessarily reflect the intrinsic valuations of the business acquired by us.

5. *Our Company may not possess the required expertise and experience in setting up and operating overseas offices*

Our Company intends to utilise part of the funds raised through this Issue for setting up offices overseas. We have no prior experience in setting up offices in foreign countries, which could prove challenging on account of difficulties associated with language barrier, compliance of local laws and setting up of infrastructure facilities. Moreover, stiff competition from established players could pose further problems in gaining recognition in overseas markets.

6. *Our Company may face risks of delays / non-receipt of the requisite regulatory approvals or licenses for any of our Objects arising out of this Issue*

Any delay/non-receipt of licenses and or approvals that may be required for the proposed expansions could result in cost and time overrun, and could have an adverse impact on our operations.

RISKS IN RELATION TO OUR BUSINESS AND RESULTS OF OPERATIONS:

7. *Our Company has expanded its scope of activities from hardware and network integration to IT solutions and technology services*

Our company has expanded its scope of activities in the last three years by venturing into IT solutions and technology services. This could lead to fluctuations in revenues and operating results due to various factors, either individually or collectively viz. the size, timing, costs and profitability related to such expansion or our ability to sustain in the global markets or the pricing policies vis-à-vis those of our competitors.

We also intend to offer services to our clients for larger and more complex projects by establishing close relationship with them and thoroughly understanding their operations. Such larger projects may involve multiple stages and we cannot assure you that our clients, who may have engaged for a particular stage or stages, may engage us for all such further and other stages.

8. *A majority of our revenues accrue from a limited number of clients and loss or reduction of business from any of them could have a material adverse effect on our business, financial condition and results of operations*

We generate a significant portion of our revenues from limited number of clients. According to our financials for the year ended March 31, 2007 our top 10 clients have contributed 66.08% of our revenues. We do not have long-term contracts with these clients, who would otherwise generate sustainable revenues and we co-exist with other IT

service providers. Thus decrease in the volume or loss of clients, or downturn of the industry in which our clients operate, may have an adverse impact on our business, financial condition and results of our operations.

9. *Our Company may face short-term liquidity constraints or shortage in working capital funds due to delays in realization of dues from clients.*

Our Company has experienced delays in realization of dues from clients. Such delays could create a burden on our working capital finances. Normally, our Company receives progressive payments from our clients depending upon the stages of completion of each project. However, any disputes arising over services rendered could cause delays in receipt of payments, which could adversely affect our operating results and cash flow.

10. *Our Client contracts may not be renewed or may be terminated at short notice , which could adversely affect the volume of our business*

Our Company does not have any exclusive contract with our clients and therefore cannot assure renewals of such contracts, which ensure a specific volume of business or future work. Moreover, the contracts that we enter into with our clients may be terminated at short notices.

Our Company's business is also dependent on the decisions and actions of our clients, and there are a number of factors relating to our Company's clients that may be outside our control, and not directly related to our performance of contractual obligations, that might result in the termination of a project or the loss of a client, including among others:

- Financial difficulties for a client;
- A change in strategic priorities, resulting in a reduced level of IT spending;
- A demand for price reductions;
- A change in outsourcing strategy by moving more work to client in-house IT departments or to our competitors;
- Change in management or controlling interests;

Termination of one or more projects or loss of one or more of our clients could have an adverse effect on our business, results of operations and financial condition.

11. *Our revenues may be affected by our inability to complete fixed-price contracts within budget and at required level of performance*

In fixed-price projects we bear the risk of cost overruns due to delay in execution of the project and wage increase, which may adversely affect our margins from fixed price contracts, and may even result in losses in performing these contracts

12. *We may be unable to enforce our client contracts due to non-payment of stamp duty*

Presently all our ongoing contracts are executed on unstamped documents. An unstamped document is not admissible as evidence in legal proceedings, and party(ies) seeking to enforce their contractual rights under these agreement can legally enforce the same only on payment of the relevant stamp duty and a penalty thereon.

13. *We may be liable to our clients for damages caused by system failures or breaches of security obligations*

Contracts involving projects that are critical to the operation of our clients businesses may require us to comply with certain security obligations including maintaining network security, ensuring network is virus free and proper backup of data, and impose liabilities on us for not complying with contractual conditions. We cannot assure that we will be able to comply with all these obligations and not incur any liability.

Further, while we have implemented industry-standard security measures, our network may still be vulnerable to unauthorized access, computer viruses and other disruptive problems. A party that is able to circumvent security measures could misappropriate proprietary information and cause interruptions in our operations. We may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. There can be no assurance that any measures implemented will not be circumvented in the future

14. *We may not be able to protect our intellectual property rights against piracy*

We rely on combination of trademarks, copyrights, confidential procedures and contractual commitments to protect our proprietary information. However, we may not be successful in preventing unauthorized use or infringement of our rights. Unauthorized third parties may try to copy or reverse engineer part of our products or otherwise obtain and use our intellectual property. If we cannot protect our proprietary technology against unauthorized copying or use, our competitiveness in the market may be adversely affected, which may adversely affect our business, financial condition and results of operations.

We have applied for trademark registration of some of our brand names. Failure to obtain registrations of these marks could have an adverse effect on our business. For further details refer to chapter titled “Our Business” beginning on page 78 of the Red Herring Prospectus.

15. *Third parties may claim that we infringe their intellectual property rights.*

We may receive notices from other parties claiming that we infringe their intellectual property rights, given the growing number of products and competitors in our industry. Our responding to any infringement claim could be time-consuming, costly and could even result in litigation claiming monetary damages or entering into royalty and agreements that would not be acceptable to us. During the pendency of such proceedings, we may be required to temporarily stop selling or redesigning our products. If we are unable to defend ourselves successfully, our business, financial condition and results of operations could be adversely affected.

16. *We may not be able to protect our source code from copying if there is an unauthorised disclosure of source code.*

Source code is a detailed program command for any operating system and software program. We take measures that we deem to be adequate to protect the secrecy of our source code. If an unauthorized disclosure of a significant portion of our source code occurs, we could potentially lose future trade secret protection for that source code. The loss of future trade secret protection could make it easier for third parties to compete with our products by copying functionality, which could adversely affect our business, financial condition and results of operations.

We do not have any fidelity guarantee insurance to cover fraudulent acts/acts of misappropriation by our employees. In the event of misappropriation of our clients’ intellectual property rights in violation of the agreements entered into by us with them, they may seek damages and compensation from us on account of such misappropriation, which may adversely affect our business, financial condition and results of operations.

17. *Our business depends largely on our ability to attract and retain employees with adequate skill sets.*

We believe that attracting and retaining employees with adequate skill sets (including key managerial personnel) is a pre-requisite for success in our business. Our Company’s ability to execute our current and future projects and to obtain new customers depends, in large part, on our ability to attract, train, motivate and retain personnel, particularly project managers, project leaders and domain experts. Any failure or inability of our Company to efficiently manage its human resources would adversely affect our ability to obtain new projects and expand our business. The market for workers with adequate skill sets is highly competitive. We may not be successful in attracting or retaining employees (including key managerial personnel), or we may be forced to increase our remuneration levels in order to attract or retain them.

18. *Investment in new products or services (including technologies) may not generate adequate returns*

We invest in research & development, and marketing of new products and services (including technologies). These investments, albeit in the course of our business, are inherently speculative and there can be no assurance as to returns there from. Commercial success of any product or service depends on many factors including innovativeness, developer support and effective distribution and marketing. Therefore, any new or revised product or service may not be able to generate significant revenue for a period of time. Moreover, new or revised products or services may lead to losses, may not be profitable, and even if they are profitable, operating margins for new products and businesses may not be upto our expectations, adequate or justifiable. The aforesaid factors may adversely affect our business, financial condition and results of operations.

19. *Our company's operations may get adversely affected due to dependence on third party vendors*

We enter into comprehensive contract with our clients which may involve supplies of products and/or services from third party vendors. Our Company cannot guarantee satisfactory performance of these third parties. Delays in supplies by such third party vendors or failure by them to meet satisfactory quality standards could adversely affect our business and its operations. This could also result in our Company losing its valuable clientele.

20. *Bugs or flaws in our products and services could affect us adversely*

Though all the product and service offerings are tested prior to release, bugs or flaws may occur when it is first introduced to the market or when a newer version is released. Bugs or flaws in our product or service offerings could lead to difficulty in integration with other software and hardware, which would adversely affect market acceptance of our products/services. Any delay in release of a new product or service in the market could lead to loss of revenues. Further, software/hardware product bugs and flaws could expose us to performance and/or warranty claims or other contractual claims, claims on account of defects in products and/or deficiency in service as also adversely affect our reputation. Although our Company attempts to limit our contractual liability for damages, we cannot assure you that these limitations on liability would be enforceable in all cases, or that they will otherwise be sufficient to protect us from liability for damages. One or more such claims could have an adverse effect on our business, financial condition and results of operations.

During the FY 2005, the Company had exported software worth Rs. 194.40 Lacs. The Company has called back this software since implementation of the software was held back by the buyer.

During the FY 2006, the Company utilized the environment software received back from the said customer worth Rs. 64.09 Lacs and sold the same to other customer in FY 2006. Hence the difference between the two was charged to revenue in FY 2005 in restated accounts.

21. *We operate in a technologically dynamic industry. Our inability to innovate, or innovate sufficiently may adversely affect us*

The industry we operate in is technologically dynamic, and prone to rapid technological changes due to various factors, including evolving industry standards and changing client preferences. This leads to the introduction of new product and services in the IT service industry to meet those challenges. We believe that our future success will depend, *inter alia*, on our ability to foresee these advances and innovate and develop new service offerings to meet client needs, ensure market acceptance for our suite of products and services, our ability to introduce, enhance and add functions to our suite of products to meet the evolving needs of our clients, and for our product and service offerings to be perceived as better than the competition. We may not be successful in anticipating these advances on a timely basis or if we do not respond, or do not respond adequately, the services or technologies we develop or innovate may not be able to meet client needs, withstand competition or be successful in the market place. Our competitors may develop products or services which may be perceived as better than ours. One or more of the aforesaid factors occurring may adversely affect our business, financial condition and results of operations.

22. *All operations of our Company and all our Key Managerial Personnel are situated at our Technology Centre*

A majority of our Company's infrastructure facilities, technical and human resources, including our Key Managerial Personnel, are concentrated at our Technology Centre. Occurrence of any natural calamities may temporarily disrupt our operations which could cause adverse financial implications for our Company.

23. *We operate in a highly competitive environment, and face competition from major operators as well as smaller operators*

The market for IT services is rapidly evolving and highly competitive. We experience intense competition across markets for our products and services from major domestic and international players. Major players have significant financial, technical and marketing resources and may be able to offer products and/or services at prices that may be more competitive than ours. Such pricing pressure may result in us not being able to attract new clients and/or retain existing clients, decrease our market share, or may result in us having to lower our prices, which may result in lowering our margins and profitability. We may also face competition and pricing pressure from start-ups and comparatively smaller operators.

24. *We have delayed in depositing certain statutory dues.*

Our Company has, in the past, delayed in depositing service tax dues aggregating to Rs. 2,49,652/- for three months viz July, 2003, August 2003 and January 2004 and Rs 12,64,470/- for the period from July 2004 to February 2005, (except September 2004) beyond the statutory period. As a result, we could face penal implications as laid down under the relevant laws, as a result of such delayed filings.

25. *Agreements for some of our immovable properties remain to be adequately registered, as required by the Registration Act, 1908.*

Our company has leased out office premises at Bangalore and Delhi. The lease agreements entered into by the Company remain to be registered. The consequences of non-registration include, *inter alia* a registered document, in relation to any property, would take precedence over an unregistered document in relation to the same property.

26. *Our loan agreements have several restrictive covenants*

We have entered into agreements for term loan and financial facilities with UTI Bank Limited. These agreements contain several restrictive covenants, including in relation to our capital structure. For details regarding the same, refer chapter titled "Restrictive Covenants in Loan Agreements" beginning on page 133 of the Red Herring Prospectus. These restrictive covenants may have an adverse effect on our business, financial condition and results of operations, including ability to grow or expand further.

27. *Our exports expose us to a continuing risk of foreign currency fluctuations.*

In the FY ended March 31, 2007, our Company has undertaken export sales to USA, UK, Belgium and Japan, to the extent of Rs. 1720.00 Lacs, being 22.15% of our turnover. The revenues of our Company could be affected by any fluctuations in exchange rates.

28. *We have contingent liabilities, not provided for, in our balance sheet, as restated, as at March 31, 2007*

- i. Guarantees / Counter Guarantees given by the Company / by banks on behalf of the Company amounting to Rs. 73.92 Lacs;
- ii. Letter of Credit amounting to Rs. 361.16 Lacs;

In the event the obligations materialize, our Company will face additional financial burden to the extent, thereby affecting our profitability

29. ***The object for which our promoter group Companies viz Omnitech Technologies Ltd and Wintel Computers Private Limited has been set up is similar to ours, resulting in conflict of interests***

The objects clause as contained in the Memorandum of Association of our promoter group companies provide for a similar line of business of our Company, which may impact our growth opportunities in the same field and could create competition for us. However, our promoter group company viz Omnitech Technologies Ltd. has not commenced business

30. ***Our Promoters may venture into similar lines of business in future which may result in conflict of interests***

Our promoters/promoter group, in future, may incorporate other entities having businesses similar to that of our Company. This may result in a conflict of interest with respect to business strategies of our Company.

RISKS ARISING OUT OF SHAREHOLDING / EQUITY SHARES

31. ***We may continue to be controlled by our Promoters and Promoter Group following this Issue and our other shareholders may not be able to affect the outcome of shareholder voting***

After this Issue, our Promoters and persons/entities in the Promoter Group will collectively hold approximately [●]% of the fully diluted post Issue equity capital of our Company. Consequently they may exercise substantial control over us and *inter alia* may have the power to elect and remove a majority of our Directors and to determine the outcome of significant corporate transactions and decisions requiring approval of our Board of Directors. Further, they may be able to influence any shareholder action or approval requiring a majority vote, and may be able to delay, prevent or deter a change in control. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

32. ***We have issued Equity Shares in last twelve months by way of a bonus issue.***

Our Company, pursuant to a resolution passed at the Annual General Meeting held on August 22, 2006, resolved to capitalize our reserves and issue and allot bonus Equity Shares in the ratio of one bonus Equity Share for every two Equity Shares held. Pursuant to the said resolution, 30,24,820 Equity Shares have been issued and allotted to the shareholders of our Company. The issue of bonus Equity Shares does not involve any consideration. For further details regarding instances where shares have been issued at a price less than issue price in last one year, please refer to section titled “Capital Structure” beginning on page 38 of the Red Herring Prospectus.

33. ***High Valuations in the IT/software Sector may not sustain in the future.***

The share prices of companies operating the software/ IT Sector are presently enjoying high valuation in the market place, which they may or may not sustain in the future and may also not be reflective of the future valuations for the industry. There are no standard valuation methodologies to measure or predict the valuations of the companies operating in this segment. Our Company’s operations and business model are not strictly comparable with any other player in the industry.

34. ***The market price of our Equity Shares may be adversely affected by additional issues of equity or equity linked securities by the Company or by sale of a large number of our Equity Shares by our significant shareholders***

We may finance our growth plans through additional equity offerings. Any future issuance of equity or equity-linked securities by our Company may dilute the shareholding of investors in our Equity Shares and could adversely affect the market price of our Equity Shares. Although our Promoters are subject to lock-in as per applicable SEBI Guidelines, sales of a large number of our Equity Shares by any significant shareholder after the expiry of the lock-in periods could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

EXTERNAL RISK FACTORS:

35. *There are a number of factors outside our control which may prejudicially affect us*

There are several factors outside our control that may cause fluctuations to our revenues and operating results and/or prejudicially affect our business, financial condition and results of operations. These include:

- The availability and duration of tax benefits and the availability of other Government of India incentives, and change in Government policies in the sector(s) in which we operate;
- Currency exchange rate fluctuations, particularly when the Rupee appreciates in value against foreign currencies, such as the U.S. Dollar;
- Changes in Indian law relating to foreign exchange management and to foreign equity ownership of Indian IT companies that could constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities; and
- The economies of India, and other principal international markets, more particularly in countries of export, as well as other general economic factors.

36. *Our company may face competition from emerging countries with lower costs*

Our company may face stiff competition from other countries such as China and Philippines who have lower employee cost as compared to India. This may result in price pressures thereby having an adverse impact on our profit margins.

37. *Our business process could be interrupted by any disruption in power supply, IT infrastructure and telecommunication lines*

Basic infrastructure such as uninterrupted power supply, adequate IT infrastructure and telecommunication lines plays a vital role in providing adequate service to our clients. Any disruption in such basic infrastructure could impact our ability to provide timely or adequate services to our clients. We rely on a number of telecommunication service and other infrastructure providers to maintain communications between our facilities in India and our client facilities. Any delay or disruption in communication services will adversely impact our client's business, which may have an adverse effect on our business, financial condition and results of operations.

38. *Natural calamities, Terrorist attack, civil unrest and other acts of violence or war involving India and other countries, where we may operate in future, could adversely affect the financial markets and our business.*

Natural calamities, terrorist attacks and other acts of violence or war may negatively affect the Indian economy and financial markets and also adversely affect the worldwide financial markets, particularly in countries in which we may operate. These acts may also result in a loss of business confidence and ultimately adversely affect our business, results of operations and the market price of our Equity Shares.

Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or in government policy. Such incidents could also create a 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.

39. *After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

Prior to this Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including but not limited to :

- a) results of our operations and the performance of our business,

- b) perceptions about our Company's future performance or the performance of companies operating in the same sector(s) as we do;
- c) Change in the estimates of our Company's performance or recommendations by financial analysts;
- d) performance of our Company's competitors and market perception of investments in the Indian securities market in general or IT sector in particular;
- e) Adverse media reports on our Company or on the Indian IT industry
- f) general economic, political and social factors, in the country and across the globe
- g) volatility in the Indian and global securities markets,
- h) trends in general business and IT industry,
- i) significant developments in India's fiscal regime and
- j) resistance to offshore outsourcing activities, quota restrictions for obtaining work permits to go abroad.

There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially issued will correspond to the prices at which they will trade in the market subsequent to this Issue.

NOTES TO RISK FACTORS:

1. Public issue of [●] Equity Shares each at a price of Rs. [●] per Equity Share for cash aggregating Rs. 3500 Lacs (hereinafter referred to as the "Issue"), including Employee Reservation of [●] Equity Shares aggregating to Rs. 175 Lacs (hereinafter referred to as the "Employee Reservation Portion"). The issue less the Employee Reservation Portion i.e. [●] Equity Shares aggregating to Rs. 3325 Lacs shall be hereinafter referred to as the "Net Issue". The Issue would constitute [●]% of the post issue paid-up capital of our Company.
2. The net worth of our Company as per our restated financials as at March 31, 2006 is Rs. 1669.25 Lacs and as on March 31, 2007 is Rs. 3044.39
3. The average cost of acquisition of Equity Shares by our Promoters Mr. Atul Hemani, Mr. Avinash Pitale, Mr. Devarshi Buch, Mrs Amisha A. Hemani and Mrs Shubhangi C. Pitale is Rs. 6.84, Rs. 9.98, Rs. 9.53, Rs. 6.77 and Rs. 2.95 per Equity Share respectively.
4. Book value of the Equity Shares of the Company, as per our restated financials as on March 31, 2006 is Rs. 27.59 and as on March 31, 2007 is Rs. 32.37
5. Investors are free to contact the BRLM and Co-BRLM for any complaints, clarification or information pertaining to this Issue. For contact details of the BRLM and Co-BRLM, please refer to the cover page of the Red Herring Prospectus.
6. All information shall be made available by the BRLM and Co-BRLM and the Company to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
7. Investors are advised to refer the paragraph on "Basis of Issue Price" on page 56 of the Red Herring Prospectus before making an investment in the Issue.
8. The Issue is being made under clause 2.2.1 of SEBI Guidelines, 2000 through 100% Book-Building Process wherein up to 50% of the Net Issue will be allocated on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, at least 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Net 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.
9. Except as mentioned in the sections titled "Risk Factors" and "Capital Structure" beginning on pages 13 and 38 of the Red Herring Prospectus, our Company has not issued any Equity Shares in the last twelve months.

10. In the event of the Issue being oversubscribed, the allocation shall be on a proportionate basis to Eligible Employees, QIBs, Retail Individual Bidders and Non-Institutional Bidders. For details, refer to the chapter titled “Issue Procedure” on page 179 of the Red Herring Prospectus.
11. Other than as stated in the section titled “Our Management”, “Our Promoters”, “ Our Promoter Group Companies” and “Financial Statements” beginning on page nos. 110, 127, 129 and 134 of the Red Herring Prospectus, our Promoters/ Directors/ Key Management Personnel have no interest other than reimbursement of expenses incurred or normal remuneration or benefits.
12. For details in Related Party Transactions refer to the chapter titled “Related Party Transactions” on page 131 of the Red Herring Prospectus.

SECTION III: INTRODUCTION

The dynamics of today's political, economic and technological environment are driving organisations to focus all energy and resources on their core businesses and outsource the additional/support functions to partner organisations with complimentary strength. At the same time, information technology has become one of the most critical needs to gain and retain cutting edge in the ever- growing competitive environment. This scenario across the globe has forced organisations to devise their business strategies for outsourcing the IT related function to identified partner(s) so that they can focus on their core businesses and IT partner can consistently work with them to provide cutting edge advantage for their core businesses sustenance and growth.

Our Company was incorporated in the year 1990 and over a period of time, from being a third party service provider and computer assembling company, we have expanded our scope of activities by venturing into IT solutions and Technology services.

Presently, we are a technology service provider and are dedicated to deliver a wide range of technology services as well as technology-enabled services to our clients. Our portfolio of offerings includes a wide range of IT services and products such as business availability services, business continuity services, systems integration solutions and framework solutions and products. In business availability services, we provide services such as infrastructure management, application management and software testing. In business continuity services, we provide services such as disaster recovery management and disaster recovery consulting and auditing.

Our value proposition as a technology services provider is to work with our clients as value added partners and provide technology services through flexible delivery models. Moreover, our business relationships with global IT companies adds value to our technical expertise, innovation and helps us in providing better services to our clients. By providing technology services, our Company enables organisations to focus on their own core business proposition and derive the competitive business advantage. This is aptly executed by gaining an edge over competition by utilizing "India Advantage" of having right skills, better communication ability, different time zone and cost effective business model.

We have a large client base across the globe in different industry segments like BFSI (Banking, Financial Services & Insurance), Manufacturing, Utilities, Services, Government bodies, etc. Our major clients, amongst others, include prominent companies like HDFC Standard life Insurance, CRISIL, WorldSoft Technologies Inc., Ami Impex Co.Ltd. and Emond bvba

THE ISSUE

Equity Shares Offered: Issue by the Company*	[●] Equity Shares aggregating Rs. 3500 Lacs
Employee Reservation Portion*	[●] Equity Shares aggregating Rs. 175 Lacs, constituting 5% of the Issue.
Net Issue to the Public*	[●] Equity Shares aggregating Rs. 3325 Lacs
Of which A) Qualified Institutional Buyers Portion	[●] Equity Shares aggregating Rs. 1663 Lacs, constituting upto 50% of the Net Issue. 5% of the QIB Portion i.e. [●] Equity Shares aggregating Rs. 83 Lacs, shall be allocated proportionately to Mutual Funds. Mutual Fund applicants shall also be eligible for proportionate allocation under balance available for QIBs.
B) Non-Institutional Portion ⁽¹⁾	[●] Equity Shares aggregating Rs. 498 Lacs, constituting at least 15% of the Net Issue that will be available for allocation to Non-Institutional Bidders.
C) Retail Portion ⁽¹⁾	[●] Equity Shares aggregating Rs. 1164 Lacs constituting at least 35% of the Net Issue that will be available for allocation to Retail Individual Bidders.
Equity Shares outstanding prior to the Issue*	9805950 Equity Shares
Equity Shares outstanding after the Issue*	[●] Equity Shares
Use of Issue Proceeds	Please refer to chapter titled “Objects of the Issue” on page 49 of the Red Herring Prospectus.

- (1) Under-subscription, if any, in any of the above categories would be allowed to be met with spillover interest from any other categories, at the sole discretion of the Company, BRLM and Co-BRLM.
- (2) Over subscription, if any, in the Employee Reservation Portion would be allotted proportionately by our Company in consultation with the BRLM and Co-BRLM.
- (3) Any under subscription in the Equity Shares under the Employee Reservation Portion would be added to the Net Issue and allotment shall be made in accordance with the description given in the chapter titled “Issue Procedure” beginning on page 179 of the Red Herring Prospectus

SUMMARY FINANCIAL DATA

You should read the following information together with the information contained in the Auditors' report included in the section titled "Financial Statements" beginning on page 134 of the Red Herring Prospectus.

Summary of Financial Data under Indian GAAP

The following table sets forth selected financial information of the Company as of and for the periods ended March 31, 2007, 2006, 2005, 2004, 2003 all prepared in accordance with Indian GAAP, the Companies Act and restated under the SEBI Guidelines

Restated Statement of Profits and Losses					(Rs. in Lacs)
Year Ended on	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Income					
Income From Operations	7,763.78	5,409.37	4,651.01	4,005.48	4,511.44
Other Income	15.91	6.55	15.52	16.46	11.66
Total Income	7,779.69	5,415.92	4,666.53	4,021.94	4,523.10
Expenditure					
Cost of Sales and Services	5,050.47	3,960.70	3,718.93	3,269.13	3,882.59
Employees Remuneration and Benefits	448.13	267.93	329.32	274.23	238.67
Administrative and Other Expenses	335.46	185.17	184.54	121.44	88.93
Selling and Distribution Expenses	144.48	60.61	49.99	52.24	44.31
Financial Expenses	157.61	93.47	59.46	42.63	22.86
Loss/(Profit) on Sale of Fixed Assets	(6.84)	2.14	-	-	-
Miscellaneous Expenditure Written off	12.71	3.81	4.56	4.56	4.56
Depreciation	288.25	201.14	172.21	144.37	108.84
Total Expenditure	6,430.27	4,774.97	4,519.01	3,908.60	4,390.75
Net Profit before Tax	1,349.42	640.95	147.52	113.34	132.35
Less : Provision for Taxation - Current	90.30	20.00	29.00	21.00	18.75
Less : Provision for Fringe Benefit Tax	7.70	5.00	-	-	-
Less : Provision for Deferred Tax	32.04	(8.80)	19.37	15.80	33.40
Profit for the year	1,219.38	624.74	99.15	76.55	80.20
Less : Provision for Taxation - Previous years	1.57	-	(1.52)	5.03	2.63
Net Profit after Tax	1,217.81	624.74	100.67	71.52	77.57
Adjustments: Adjustments on account of restatements	(34.58)	128.70	(66.71)	(36.86)	13.13

(as per note 5 of Notes to accounts to restated financial statements)					
Profit for the year as restated available for appropriation	1,183.23	753.44	33.96	34.65	90.70
Add : Profit brought forward	810.85	126.39	109.53	74.87	153.95
Less : Deferred Tax Liability	-	-	-	-	113.68
Less : Proposed Dividend	94.06	60.50	15.12	-	27.57
Less : Dividend Tax	15.99	8.48	1.98	-	3.53
Less : Amount Utilized for Bonus Issue	47.69				
Less : Amount Transferred to General Reserves	-	-	-	-	25.00
Balance carried forward to Balance Sheet	1,836.34	810.85	126.39	109.53	74.87
Note: The above should be read with Notes to Statements of Profits and Losses and Assets and Liabilities, as Restated and Accounting policies, as appearing in Annexure III					

Restated Statement of Assets and Liabilities						
						<i>(Rs in Lacs)</i>
A	Assets As At	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
	Fixed Assets					
	Gross Block	2,832.64	1,976.59	1,449.94	1,128.18	823.32
	Less : Accumulated depreciation	880.18	720.67	549.00	376.79	231.40
	Net Block	1,952.46	1,255.93	900.93	751.40	591.91
	Capital Work in Process incl. Cap Advances	-	8.44	203.88	6.90	-
	Total	1,952.46	1,264.37	1,104.81	758.30	591.91
B	Investments	96.79	4.35	4.35	4.35	1.04
C	Current Assets, Loans and Advances					
	Receivables	2,535.67	1,474.13	937.56	791.79	574.48
	Cash & Bank Balance including					
	Bank Deposits	38.75	179.91	185.82	270.34	393.85
	Inventories	231.76	173.76	340.90	131.54	103.82
	Loans and Advances	229.82	46.88	24.51	24.65	28.63
	Total	3,036.00	1,874.68	1,488.80	1,218.32	1,100.78
D	Liabilities and Provisions					
	Secured Loans	953.50	881.62	764.14	356.82	171.30
	Unsecured Loans	-	9.95	-	-	-
	Deferred Tax Liability	205.50	173.46	182.26	162.89	147.09
	Current Liabilities	677.97	346.54	657.57	459.53	398.75
	Provision for Expenses	63.01	34.03	32.21	53.92	22.22

	Provision for Income Tax (Net)	30.83	(38.22)	(34.09)	(9.54)	5.15
	Provision for Dividend	94.06	60.50	15.12	-	27.57
	Provision for Dividend Tax	15.99	8.48	1.98	-	3.53
	Total	2,040.85	1,476.36	1,619.19	1,023.61	775.60
E	Net Worth (A+B+C-D)	3,044.39	1,667.04	978.77	957.35	918.13
	Represented by :					
F	Share Capital	950.60	604.96	604.96	604.96	604.96
G	Reserves & Surplus	2,135.24	1,065.64	381.18	364.32	329.66
H	Misc Expenditure not written off	(41.44)	(3.56)	(7.37)	(11.93)	(16.49)
	Net Worth (F+G-H)	3,044.39	1,667.04	978.77	957.35	918.13
Note: The above should be read with Notes to Statements of Profits and Losses and Assets and Liabilities , as Restated and Accounting policies , as appearing in Annexure III						

Statement of Cash Flow from the restated financial statements						
(Rs in Lacs)						
	Particulars		For the Period Ended			
		31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
A	Cash Flow from Operating Activities					
	Net (loss) / profit before tax and extra ordinary items	1,349.42	640.95	147.52	113.34	132.35
	Adjustments:					
	On Account of Restatement	(34.58)	128.70	(66.71)	(36.86)	13.13
	Depreciation	288.25	201.14	172.21	144.37	108.84
	Finance Expenses	157.61	93.47	59.46	42.63	22.86
	Interest Income	(4.49)	(3.24)	(9.83)	(15.96)	(11.58)
	Miscellaneous Expenditure Written Off	12.71	3.81	4.56	4.56	4.56
	Loss/(Profit) on Sale of Investments	(0.11)	-	-	-	-
	Loss/(Profit) on Sale of Fixed Assets	(6.84)	2.14	-	-	-
	Operating Profit before Working Capital Changes (A)	1,761.96	1,066.97	307.21	252.08	270.15
	Adjustments for changes in Working Capital					
	(Increase) / Decrease in Receivables	(1,061.54)	(536.57)	(145.78)	(217.30)	(56.44)
	(Increase) / Decrease in Other Current Assets	(57.99)	167.14	(209.36)	(27.72)	(35.53)
	(Increase) / Decrease in Loans and Advances	(182.94)	(22.37)	0.16	3.98	(13.16)
	Increase / (Decrease) in Trade and Other Payables	331.43	(311.03)	198.04	60.78	35.24
	Increase / (Decrease) in Provision for Expenses	31.49	1.83	(21.71)	31.70	(2.97)
	(B)	(939.56)	(701.02)	(178.65)	(148.55)	(72.85)
	Cash Generated from	822.40	365.95	128.56	103.53	197.30

	Operations (A +B)					
	Taxes (Paid)/Received (Net of TDS)	33.03	29.13	52.04	40.72	25.93
	Net Cash From Operating Activities	789.37	336.82	76.52	62.81	171.37
B	Cash Flow from Investing Activities					
	Purchase of fixed assets	(1,065.68)	(581.43)	(321.75)	(303.87)	(232.85)
	Proceeds from sale of fixed assets	87.72	23.15	-	-	-
	Proceeds from sale of Investments	0.65	-	-	-	-
	Capital Work in progress	8.44	195.43	(196.98)	(6.90)	-
	Purchase of Investments	(92.97)	-	-	(3.31)	3.08
	Interest Received (Revenue)	4.49	3.24	9.83	15.96	11.58
	Net Cash used in Investing Activities	(1,057.34)	(359.60)	(508.90)	(298.12)	(218.20)
C	Cash Flow from Financing Activities					
	Proceeds from fresh issue of Share Capital	33.70	-	-	-	170.21
	Proceeds from Share Premium on fresh issue of Share	298.35	-	-	-	229.79
	Proceeds from Share Application Money	10.00	-	-	-	-
	Preliminary Expenses	(50.59)	-	-	-	(18.57)
	Net Proceeds from Long Tem Borrowings	71.88	332.72	68.30	(8.84)	12.60
	Net Proceeds from Short Tem Borrowings	(9.95)	(205.28)	339.01	194.37	51.19
	Dividend Paid	(60.50)	(15.12)	-	(27.57)	-
	Dividend Tax	(8.48)	(1.98)	-	(3.53)	-
	Finance Expenses	(157.61)	(93.47)	(59.46)	(42.63)	(22.86)
	Net Cash used in Financing Activities	126.80	16.87	347.85	111.80	422.36
	Net Increase / (decrease) in Cash & Cash					
	Equivalents (A+B+C)	(141.16)	(5.91)	(84.52)	(123.50)	375.53
	Cash and Cash Equivalents at the					
	beginning of the period	179.91	185.82	270.34	393.85	18.32
	Cash and Cash Equivalents at the end of the period	38.75	179.91	185.82	270.34	393.85

GENERAL INFORMATION

Name and Registered Office of the Company

OMNITECH INFOSOLUTIONS LIMITED,

Omnitech House,
Plot No. A/13, Cross Road No. 5,
Marol M.I.D.C.,
Andheri East, Mumbai-400 093,
India.

Tel: +91-22- 4095 6666;

Fax: +91-22- 4095 6565

E-mail: investor@omnitechindia.com;

Website: www.omnitechindia.com

(The Registered Office of our Company was shifted from 8, Girivihar, Ram Maruti Cross Road No. 3, Navpada, Thane – 400 601 to B/305, Byculla Service Industries, Sussex Cross Road, Byculla (East), Mumbai – 400 027 with effect from October 14, 1990, and then to the present address with effect from December 8, 2005).

Details of Registration

Our Company Identification Number (CIN) is U30007MH1990PTC055256 (Old Registration No : 11-55256 of 1990.)

Our Company is registered with The Registrar of Companies, Maharashtra, situated at 100, Everest, Marine Lines, Mumbai – 400 002.

Our name was changed to OMNITECH INFOSOLUTIONS PRIVATE LIMITED on January 9, 2001 and subsequently to OMNITECH INFOSOLUTIONS LIMITED on April 12, 2001.

Board Of Directors:

Our Board of Directors comprises of the following:

NAME OF THE DIRECTOR	DESIGNATION	Director's Identification Number
Mr. Maganlal K. Hemani	Non-Executive Chairman	00214912
Mr. Atul M. Hemani	Managing Director	00030517
Mr. Avinash C. Pitale	Executive Director	00030633
Mr. Devarshi D. Buch	Executive Director	00030583
Dr. Kalimohan J. Bhattacharya	Non-Executive and Independent Director	00318457
Dr. Ram Kishore B. Mangal	Non-Executive and Independent Director	00712936
Prof. Venkateshwaran H. Iyer	Non-Executive and Independent Director	01595659
Mr. Vasudeva V. Kamath	Non-Executive and Independent Director	01597014

Brief Profile of our Chairman and Whole Time Directors :

1. **Mr. Maganlal K. Hemani**, aged 73 years, a businessman, having an experience of over 58 years in varied fields of business viz. distribution, manufacturing and service industries. His vast experience has helped our Company immensely. He continues to be a source of motivation for the Omnitech management team.
2. **Mr. Atul M. Hemani**, aged 43 years, a B.E. (Electrical) from University of Mumbai having an experience of over 20 years in the IT industry. He is a co-founder of our Company and had worked for two years with Hindustan Computer Limited (HCL), prior to promoting this Company. He is responsible for overall business strategy and direction of the organization. He has undergone various soft skills programmes. He has been instrumental in tying up business relationships with HP, CA and IBM. As Managing Director, he provides strategic direction to the Company and currently focuses on designing international business strategy and promotion of outsourcing services in the areas of infrastructure management, application development and software testing.
3. **Mr. Avinash C. Pitale**, aged 44 years, a B.E. (Electrical) from University of Mumbai has experience of over 20 years in the IT industry. He has completed a course in BS15000 and is a DRI certified professional. He has a rich experience of service delivery on various hardware and software platforms and has undergone various soft skills programmes. He is also a co-founder of our Company and had worked for three years with Hindustan Computer Limited (HCL), prior to promoting this Company. He is responsible for conceptualisation, execution and delivery model set up for various services viz. infrastructure management services and disaster recovery services. He is also responsible for setting up business processes and policies and overall quality initiatives for the organization. His areas of specialization are business continuity planning and infrastructure management services. Currently, he focuses on building NOC based remote management services.
4. **Mr. Devarshi D. Buch**, aged 42 years, a B.E. (Electrical) from University of Mumbai has experience of over 20 years in the IT industry. He has undergone various presales and technical certification programmes. He is a certified executive and has the following certifications
 - Intel Certified Solutions Specialist;
 - Compaq Technical Certified Engineer;
 - Compaq Storage Works;
 - Cisco Certified Network Associate;
 - Cisco Systems Design Associate;
 - Cisco Router Configuration;
 - Customer support Certification for Compaq;
 - LAN-WAN Integration-Core Technologies;
 - Microsoft-Sales Certification.

Prior to joining our Company in 1994, he was working with Minicomp Limited as Project Manager. His areas of specialization are sales of solutions/technologies and products, execution of turnkey projects, providing of IT consultancy in the areas of enterprise computing, connectivity solutions and server-based solutions, DRP, securities solutions and many more. He is responsible for developing domestic business in the area of system integration and services.

Company Secretary And Compliance Officer

Mr.Gaurav Sharma

“OMNITECH HOUSE”,
A/13, Cross Road No. 5,
Marol M.I.D.C.,
Andheri East, Mumbai-400 093, India
Tel: +91-22- 4095 6666;
Fax: +91-22- 4095 6565;
Email: investor@omnitechindia.com

Legal Advisors to the Issue

M/s. Crawford Bayley & Co.

State Bank Buildings, 4th floor
N. G. N. Vaidya Marg
Fort, Mumbai - 400 023
Tel.: +91 22 2266 3713
Fax: +91 22 2266 0355
E-mail: sanjay.asher@crawfordbayley.com

Bankers to the Company

UTI Bank Limited

Royal Accord IV, Main Road,
Lokhandwala Complex,
Andheri (West), Mumbai -400 053
Tel: +91-22 - 26352646.
Fax : +91-22- 26328008
E-Mail: ibrm@utibank.co.in
Web Site : www.utibank.com

Book Running Lead Manager

UTI Bank Limited

111, Maker Towers, F’
Cuffe Parade, Colaba,
Mumbai – 400 005.
Tel: +91-22-2216 1341
Fax: +91-22-2216 2467
Contact Person: Mr. Mahesh B. Kajarekar / Mr.Amit Shah
E-mail: utibmbd@utibank.co.in
Website: www.utibank.com

Co- Book Running Lead Manager

India Infoline Limited

Building No. 35A, Nirlon Complex,
Off Western Express Highway, Goregaon (East),
Mumbai- 400 063
Tel: +91-22-40609311
Fax : +91-22-26850451
Contact Person: Mr.Piyush Bothra / Mr. Kartik Shah
E-mail: omnitech_ipo@indiainfoline.com
Website: www.indiainfoline.com

Registrar to the Issue

Intime Spectrum Registry Limited

C-13 Pannalal Mills Compound
L.B.S Marg, Bhandup (West)
Mumbai – 400 078
Tel: + 91 22 25960320
Fax: + 91 22 25960329
Contact Person: Mr. Salim Shaikh
E-mail: omnitech-ipo@intimespectrum.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 or refund orders, etc.

Bankers to the Issue/ Escrow Collection Banks

UTI Bank Limited

Address: Royal Accord IV
Lokhandwala Complex, Andheri (West)
Mumbai - 400053
Tel: 91-22-26352646
Fax: 91-22-26328008
Attn: Ms. Kanchan Phatak
Email: kanchan.phatak@utibank.co.in
Web site: www.utibank.co.in

ICICI Bank Limited

Address: Capital Markets Division
30, Mumbai Samachar Marg,
Fort, Mumbai - 400 001.
Tel.: 91-22-22627600
Fax: 91-22-22611138
Attn: Mr. Sidhartha Sankar Routray
Email: sidhartha.routray@icicibank.com
Web Site: www.icicibank.com

Standard Chartered Bank

Address: 270, D.N. Road, Fort,
Mumbai – 400 001
Tel.: 91-22-22092213
Fax: 91-22- 22092216
Attn: Mr. Rajesh Malwade
Email: rajesh.malwade@in.standardchartered.com
Web Site: www.standardchartered.com

Kotak Mahindra Bank Limited

Address: 36-38A, Nariman Bhavan, 227,
Nariman Point, Mumbai 400 021
Tel: 91-22-66596216
Fax: 91-22- 22817527
Attn: Mr. Mahesh Shekdar
Email: mahesh.shedkar@kotak.com
Web Site: www.kotak.com

Syndicate Member

Allianz Securities Ltd.

33, Vaswani Mansion,
6th Floor, Dinsha Vachha Road,
Opp. K. C. College, Churchgate,
Mumbai – 400 020.
Tel.: +91 022 2287 0580
Fax: +91 022 2287 0581
Email: ipo@aslfinancial.com
Website: www.aslfinancial.com
Contact Person: Mr. Sunit Shangle

Statutory Auditors to the Company

M/s. Kothari & Kenia

Chartered Accountants,
34, Pandit Niwas, Opp. D'Silva School,
S.K.Bole Road, Dadar (West)
Mumbai – 400 028.
Tel: + 91 22 24302777
Fax: + 91 22 24220692
E-mail: kothari_kenia@rediffmail.com

Statement of Inter-Se Allocation of Responsibility

The responsibilities and co-ordination for various activities in the Issue have been distributed amongst the BRLM and Co-BRLM are as under:

Activities	Responsibility	Co-ordinator
Capital structuring with the relative components and formalities such as type of instruments, etc.	BRLM	BRLM
Due diligence of the Company's operations / management / business plans / legal etc.;	BRLM	BRLM
Drafting and design of Offer Document and of statutory advertisement including memorandum containing salient features of the Prospectus. Ensure compliance with stipulated requirements and completion of prescribed formalities with SEBI, Stock Exchanges, and RoC.	BRLM	BRLM
Primary co-ordination with SEBI, Stock Exchanges and RoC upto bidding and co-ordination interface with lawyers for agreement	BRLM	BRLM
Appointment of Registrar, Printers and Advertising Agency	BRLM	BRLM
Appointment of Escrow Collection Bankers / Bankers to the Issue.	BRLM, Co-BRLM	BRLM
Company Positioning and pre-marketing exercise, finalise media and Public Relation strategy	BRLM, Co-BRLM	BRLM
Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisements, brochure, etc.	BRLM, Co-BRLM	BRLM
Qualified Institutional Buyers ('QIBs'): Finalising the list and division of investors for one to one meetings and co-ordinating institutional investors meetings.	BRLM, Co-BRLM	BRLM
Non-Institutional and Retail Marketing of the Issue, which will cover inter-alia,	BRLM, Co-BRLM	Co-BRLM

<ul style="list-style-type: none"> • Formulating marketing strategies • Preparation of publicity budgets • Finalizing centers for holding conferences for brokers, etc. • Finalizing collection centers • Follow-up on distribution of publicity and Issue material including forms, prospectus and deciding on the quantum of the Issue material 		
Managing the Book, interaction / co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading-	BRLM, Co-BRLM	BRLM
-Appointment of Syndicate Members / Brokers to the Issue - Finalise Underwriters and the Underwriting Arrangements	BRLM, Co-BRLM	BRLM
Finalising pricing, QIB Allocation and Intimation by BRLM's in consultation with the Company	BRLM, Co-BRLM	BRLM
Finalisation of Prospectus and RoC filings etc.;	BRLM	BRLM
Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, invoking the Underwriting obligations and ensuring the underwriters pay the amount of devolvement etc.	BRLM, Co-BRLM	Co-BRLM
The post Issue activities of the Issue will involve essential follow up steps, which include finalisation of basis of allotment / weeding out the multiple applications, listing of instruments and dispatch of non-institutional allotment advice and related orders, with the various agencies connected with the work such as Registrar to the Issue, Bankers to the Issue and the bank handling refund business.	BRLM, Co-BRLM	Co-BRLM

Credit Rating

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

Grading

We have not opted for grading of this Issue.

Trustees

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

Monitoring Agency

We have appointed UTI Bank Ltd as a monitoring agency for monitoring the use of the issue proceeds vide letter dated March 14, 2007. The appointment of monitoring agency is not required in terms of clause 8.17 of SEBI DIP Guidelines, However we have voluntarily appointed UTI Bank Ltd as a monitoring agency who will monitor and report the deployment of funds to enable appropriate utilization of issue proceeds, The details of the monitoring agency are as follows:

UTI Bank Limited

111, Maker Towers, F'
Cuffe Parade, Colaba,
Mumbai – 400 005.

Tel: +91-22-6631 1744

Fax: +91-22- 2216 2467

Attn: Mr. Nilesh Baheti

E-mail: nilesh.baheti@utibank.co.in

Website: www.utibank.com

Withdrawal of the Issue

Our Company, in consultation with the BRLM and Co-BRLM, reserves the right not to proceed with the Issue any time after the Bid/Issue Opening Date without assigning any reason therefor.

Book Building Process

Book Building refers to the process of collection of bids from investors on the basis of this Red Herring Prospectus. This Issue Price is fixed after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- (1) Our Company;
- (2) Book Running Lead Manager, in this case being UTI Bank Limited ;
- (3) Co-Book Running Lead Manager, in this case being India Infoline Limited;
- (4) Members of the Syndicate who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters, in this case being UTI Bank Ltd, India Infoline Ltd and Allianz Securities Limited;
- (5) Registrar to the Issue, in this case being Intime Spectrum Registry Limited;
- (6) Escrow Collection Banks.

SEBI, through its guidelines, has permitted the Issue of securities to the public through the 100% Book Building Process, wherein upto 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, at least 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and at least 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, [•] Equity Shares aggregating to Rs.175 Lacs shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bid(s) after the Bid/ Issue Closing date. In addition, QIBs are required to pay 10% Margin Amount upon submission of their Bid and allocation to QIBs shall be on a proportionate basis. For further details, please refer to the chapter titled “Terms of the Issue” beginning of page 176 of the Red Herring Prospectus.

Our Company shall comply with applicable guidelines issued by SEBI for this Issue. In this regard, our Company has appointed UTI Bank Ltd. as the BRLM and India Infoline Ltd. as the Co-BRLM to manage the Issue and to procure subscription to the Issue.

The process of Book Building under the SEBI Guidelines is subject to change from time to time and Investors are advised to make their own judgement about investment through this process prior to making a Bid or Application in the Issue.

Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid (see chapter titled “Issue Procedure” beginning on page 179 of the Red Herring Prospectus);
- Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form; and
- Ensure that the Bid-cum-Application Form is accompanied by the Permanent Account Number. For details please refer to the chapter titled “Issue Procedure” beginning on page 179 of the Red Herring Prospectus. Bidders are specifically requested not to submit their General Index Register number instead of the Permanent Account Number, as the Bid is liable to be rejected.

Illustration of Book Building and Price Discovery Process (*Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue*)

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period and on the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com). The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.

Number of equity shares Bid for	Bid Price (Rs.)	Cumulative equity shares Bid for	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The issuer, in consultation with the BRLM and Co-BRLM will finalise the issue price at or below such cut off price i.e. at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

UNDERWRITING AGREEMENT

After the determination of the Issue Price but prior to filing of the Prospectus with RoC, we will enter into an Underwriting Agreement with the Underwriter(s) for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM and Co-BRLM shall be responsible for bringing in the amount devolved, in the event that the Syndicate Member do not fulfill his underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter(s) are several and not joint, and are subject to certain conditions as specified in such agreement.

The Underwriter(s) have indicated their intention to underwrite the following number of Equity Shares:

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

Name and Address of the Underwriter(s)	Indicated Number of Equity Shares to be Underwritten	Indicative Amount Underwritten (Rs. in Lacs)
UTI Bank Limited 111, Maker Towers, F' Cuffe Parade, Colaba, Mumbai – 400 005. Tel: +91-22-2216 1341 Fax: +91-22-2216 2467 E-mail: utibmbd@utibank.co.in Website: www.utibank.com	[•]	[•]
India Infoline Limited	[•]	[•]

Building No. 35A, Nirlon Complex, Off Western Express Highway, Goregaon (East), Mumbai- 400 063 Tel: +91-22-40609311 Fax : +91-22-26850451 E-mail: omnitech_ipo@indiainfoline.com Website: www.indiainfoline.com		
Allianz Securities Ltd. 33, Vaswani Mansion, 6th Floor, Dinsha Vachha Road, Opp. K. C. College, Churchgate, Mumbai – 400 020. Tel.: +91 022 2287 0580 Fax: +91 022 2287 0581 Email: ipo@aslfinancial.com Website: www.aslfinancial.com	[•]	[•]

The above-mentioned amount is an indicative underwriting and would be finalised after pricing and actual allocation. The above underwriting agreement is dated [•].

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

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM, Co-BRLM and the Syndicate Member shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount. For further details about allocation please refer to chapter “Other Regulatory and Statutory Disclosures” beginning on page 164 of the Red Herring Prospectus.

CAPITAL STRUCTURE

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

Share Capital as on the date of filing of the Red Herring Prospectus	Aggregate Value at Nominal Price. (Rs in lacs.)	Aggregate Value at Issue Price (Rs. in lacs)
A. Authorised Capital: 15000000 Equity Shares of Rs. 10 each	1500.00	
B. Issued, Subscribed and Paid Up Capital before this Issue: 9805950 Equity Shares of Rs 10 each	980.59	
C. Present Issue to the Public in terms of this Red Herring Prospectus [•] Equity Shares of the Face Value of Rs. 10/- each	[•]	[•]
D. Employee Reservation Portion [•] Equity Shares of the Face Value of Rs. 10/- each	[•]	
E. Net Issue to the Public in terms of the Red Herring Prospectus [•] Equity Shares of the Face Value of Rs. 10/- each	[•]	
F. Issued, Subscribed and Paid-Up Capital after this Issue [•] Equity Shares of the Face Value of Rs. 10/- each	[•]	[•]
G. Securities Premium Account⁽¹⁾ Before this Issue After this Issue		658.35

⁽¹⁾ The amount standing in the securities premium account, on a pre-Issue basis, is Rs.6,58,35,000. The increase in the securities premium account as a result of the Issue will be completed only after the Issue Price is determined.

Details of increase in our authorised share capital, since incorporation, are as follows :

Sr.No	Details of increase in authorised share capital	Date and type of Meeting
1	Incorporation- Rs. 10.00 Lacs divided into 100000 Equity Shares of Rs. 10 each.	-
2	Increased to Rs.25.00 Lacs divided into 250000 Equity Shares of Rs. 10 each.	EGM held on January 13, 1994.
3	Increased to Rs.100.00 Lacs divided into 1000000 Equity Shares of Rs. 10.	AGM held on September 19, 1994.
4	Increased to Rs.250.00 Lacs divided into 2500000 Equity Shares of Rs. 10 each.	EGM held on August 2, 1999.
5	Increased to Rs.600.00 Lacs divided into 6000000 Equity Shares of Rs. 10 each	EGM held on November 1, 2000.
6	Increased to Rs.650.00 Lacs divided into 6500000 Equity Shares of Rs. 10 each	EGM held on May 20, 2002.
7	Increased to Rs.1500.00 Lacs divided into 15000000 Equity Shares of Rs. 10 each	AGM held on August 22, 2006.

1. Share capital history of our Company

Date of Allotment	Number of Shares	Face Value per Equity Share (Rs)	Issue Price per Equity Share (Rs)	Nature of Payment Consideration	Reason for allotment	Cumulative Equity Shares	Cumulative Share Premium (Rs.)
May 24, 1990	27200	10	10	Cash	Subscription to the Memorandum of Association and further Issue of Shares to Promoters and Promoter Group	27200	-
September 29, 1990	5000	10	10	Cash	Further issue of Shares to Promoters	32200	-
March 31, 1993	26000	10	10	Cash	Further issue of Shares to Promoters and Promoter Group	58200	-
April 1, 1994	35600	10	10	Cash	Further issue of Shares to Promoter and Promoter group	93800	-
June 28, 1994	10300	10	10	Cash	Further issue of Shares to Promoter and Promoter group	104100	-
November 23, 1994	4500	10	10	Cash	Further issue of Shares to Promoter group	108600	-
January 30, 1995	15000	10	10	Cash	Further issue of Shares to Promoters	123600	-
February 7, 1995	7000	10	10	Cash	Further issue of Shares to Promoter and Promoter group	130600	-
June 1, 1995	19400	10	10	Cash	Further issue of Shares to promoter group	150000	-
August 2, 1999	80000	10	125	Cash	Further issue of Shares to others	230000	9200000
August 9, 1999 ⁽¹⁾	920000	10	NA	Bonus	Bonus Issue	1150000	-
August 14, 1999	1200000	10	10	Cash	Further issue of Shares to promoter, promoter group and others	2350000	-
November 15, 2000 ⁽²⁾	1997500	10	NA	Bonus	Bonus Issue	4347500	-
July 25, 2002	1702130	10	23.50	Cash	Further issue of Shares to others	6049630	22978755
September 2, 2006 ⁽³⁾	3024820	10	NA	Bonus	Bonus Issue	9074450	-
September 2, 2006	231500	10	100	Cash	Further issue of shares to others	9305950	20835000
December 21, 2006	100000	10	100	Cash	Further issue of shares to others	9405950	29835000
June 16, 2007	400000	10	100	Cash	Further issue of shares to others	9805950	65835000

Note:

1. Bonus Issue on August 9, 1999 is made in the ratio of 1:4 by capitalizing Rs. 92.00 Lacs from the Share Premium Account
2. On November 15, 2000 Rs. 199.75 Lacs was capitalised from the General Reserve Account to issue bonus shares to existing shareholders.
3. Bonus issue on September 2, 2006 is made in the ratio of 1:2 by capitalizing Rs.302.48 Lacs from the Share Premium/General Reserve Account/Profit and Loss Account
4. We have not issued any Equity Shares out of Revaluation Reserves or reserves without accrual of cash resources.

Promoters Contribution and Lock-in:

The shareholding of the Promoters and the Promoter Group would be locked-in as under:

Name of the Promoter	Date of Allotment /Transfer/when made fully paid up	Consideration (cash, bonus, kind etc.)	Number of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	%age of Post Issue Paid up Capital	
						Three years	One year
Mr. Atul Hemani	September 29, 1990	cash	2,500	10	10	[●]	[●]
	April 1, 1994	cash	6,000	10	10	[●]	[●]
	June 28, 1994	cash	1,000	10	10	[●]	[●]
	January 30, 1995	cash	7,500	10	10	[●]	[●]
	August 9, 1999	bonus	68,000	10	NA	[●]	[●]
	August 14, 1999	cash	440,000	10	10	[●]	[●]
	November 15, 2000	bonus	446,250	10	NA	[●]	[●]
	July 31, 2006	cash	238,065	10	32.90	[●]	[●]
	September 2, 2006	bonus	604,658	10	NA	[●]	[●]
			1,813,973			[●]	[●]
Mr. Avinash Pitale	May 24, 1990	cash	8,300	10	10	[●]	[●]
	September 29, 1990	cash	2,500	10	10	[●]	[●]
	March 31, 1993	cash	5,500	10	10	[●]	[●]
	April 1, 1994	cash	8,000	10	10	[●]	[●]
	June 28, 1994	cash	1,500	10	10	[●]	[●]
	January 30, 1995	cash	7,500	10	10	[●]	[●]
	February 7, 1995	cash	1,700	10	10	[●]	[●]
	April 5, 1999	cash	16,500	10	10	[●]	[●]
	August 9, 1999	bonus	206,000	10	NA	[●]	[●]

Name of the Promoter	Date of Allotment /Transfer/when made fully paid up	Consideration (cash, bonus, kind etc.)	Number of Shares	Face Value (Rs.)	Issue Transfer Price (Rs.)	%age of Post Issue Paid up Capital	
						Three years	One year
	August 14, 1999	cash	7,500	10	10	[●]	[●]
	November 15, 2000	bonus	225,250	10	NA	[●]	[●]
	January 25, 2001	cash	40,700	10	10	[●]	[●]
	July 31, 2006	cash	388,065	10	32.90	[●]	[●]
	September 2, 2006	bonus	459,508	10	NA	[●]	[●]
			1,378,523			[●]	[●]
Mr. Devarshi Buch	January 20, 2002	Cash	130,000	10	10	[●]	[●]
	July 31, 2006	Cash	30,000	10	32.90	[●]	[●]
	September 2, 2006	bonus	80,000	10	NA	[●]	[●]
			240,000			[●]	[●]
Mrs Amisha A. Hemani	May 24, 1990	Cash	2,000	10	10	[●]	[●]
	March 31, 1993	Cash	3,000	10	10	[●]	[●]
	April 1, 1994	Cash	1,700	10	10	[●]	[●]
	February 7, 1995	Cash	1,800	10	10	[●]	[●]
	June 1, 1995	Cash	11,400	10	10	[●]	[●]
	June 22, 1995	Cash	100	10	10	[●]	[●]
	June 30, 1995	Cash	1,500	10	10	[●]	[●]
	April 5, 1999	Cash	3,500	10	10	[●]	[●]
	August 9, 1999	bonus	100,000	10	NA	[●]	[●]
	August 14, 1999	Cash	150,000	10	10	[●]	[●]
	November 15, 2000	bonus	233,750	10	NA	[●]	[●]
	July 31, 2006	Cash	150,000	32.90	10	[●]	[●]
	September 2, 2006	bonus	329,375	10	NA	[●]	[●]
			988,125			[●]	[●]

Name of the Promoter	Date of Allotment /Transfer/when made fully paid up	Consideration (cash, bonus, kind etc.)	Number of Shares	Face Value (Rs.)	Issue Transfer Price (Rs.)	%age of Post Issue Paid up Capital	
						Three years	One year
Mrs. Shubhangi A. Pitale	April 1, 1994	cash	6,900	10	10	[●]	[●]
	June 28, 1994	cash	1,000	10	10	[●]	[●]
	June 1, 1995	cash	1,000	10	10	[●]	[●]
	June 30, 1995	cash	8,000	10	10	[●]	[●]
	June 30, 1995	cash	6,600	10	10	[●]	[●]
	April 5, 1999	cash	26,000	10	10	[●]	[●]
	August 9, 1999	bonus	94,000	10	NA	[●]	[●]
	August 14, 1999	cash	375,000	10	10	[●]	[●]
	November 15, 2000	bonus	440,725	10	NA	[●]	[●]
	September 2, 2006	bonus	479,613	10	NA	[●]	[●]
			1,438,838			[●]	[●]
		TOTAL	5,859,459			[●]	[●]

The actual number of Equity Shares constituting 20% of the post-issue equity share capital of our Company shall be determined after the Book Building Process on determination of the Issue Price and actual number of Equity Shares to be allotted in this Issue. Accordingly, total number of Equity Shares to be offered by the above-mentioned Promoters for three years lock-in shall be ascertained and changed to ensure that at least 20% of the post-issue equity share capital is locked-in for a period of three years as per SEBI guidelines. We shall ensure that the Equity Shares, which are considered for locked-in for a period of three years are eligible for computation of Promoters' contribution and lock in under clause 4.6 of the SEBI DIP Guidelines.

[●] Equity shares held by the the Promoters shall be locked in for three years from the date of allotment of Equity Shares in this Issue. Other than that, the entire pre-Issue share capital of our Company, including the balance Equity Shares held by our promoters, shall be locked in for a period of one year from the date of the allotment of Equity Shares in this Issue.. Written consents, as follows, have been obtained from each of our Promoters whose shares have been included as part of Promoters contribution subject to lock-in.

Name of Promoter	Date of Consent Letter
Mr. Atul Hemani	September 25, 2006
Mr. Avinash Pitale	September 27, 2006
Mr. Devarshi Buch	September 27, 2006
Mrs. Amisha Hemani	September 27, 2006
Mrs. Shubhangi Pitale	September 27, 2006

Our promoters have brought in their contribution to the extent of not less than the specified minimum lot, being Rs.25,000/- per application from each individual , as per the SEBI (DIP) Guidelines, 2000.

Shares held by the person other than the Promoters, prior to this Issue, which are subject to lock in as per the relevant provisions of Chapter IV of SEBI Guidelines, may be transferred to any other person holding shares which are locked in, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

Shares held by Promoters which are locked in as per the relevant provisions of Chapter IV of the SEBI Guidelines, may be transferred to and amongst Promoters/Promoter group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, as applicable.

The locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan. Further, securities locked in as promoters' contribution may be pledged only if in addition to fulfilling the above condition, the loan has been granted by such bank or financial institution for the purposes of financing one or more of the objects of the Issue.

27. Transactions in our Company's Equity Shares by the Promoter/Promoter Group and the directors of our Company or directors of the Promoter or directors of the Promoter Group companies during a period of six months preceding the date of filing of the Red Herring Prospectus with SEBI

Our Directors/Promoter and our Promoter Group companies/the Directors of our Company, the Directors of our Promoter and the Directors of our Promoter Group companies have not purchased, neither have they sold any Equity Shares, during a period of six months preceding the date of filing the Red Herring Prospectus with SEBI,

28. Shareholding pattern of our Company prior and post this Issue:

Shareholder's Category	Pre-issue		Post-Issue	
	No. of Shares	%age	No. of Shares	%age
Promoters				
Mr. Atul M. Hemani	1,813,973	18.50	1,813,973	[•]
Mr. Avinash C. Pitale	1,378,523	14.06	1,378,523	[•]
Mr. Devarshi D. Buch	240,000	2.45	240,000	[•]
Mrs Amisha A. Hemani	988,125	10.08	988,125	[•]
Mrs Shubhangi A. Pitale	1,438,838	14.67	1,438,838	[•]
Sub Total (A)	5,859,459	59.75	5,859,459	[•]
Promoter Group				
Maganlal K. Hemani	10,000	0.10	10,000	[•]
Mrs Vinita M. Hemani	25,263	0.26	25,263	[•]
Mr Nirav Hemani	76,313	0.78	76,313	[•]
Ms Vidhi Hemani	76,313	0.78	76,313	[•]
Mr. Atul M. Hemani (HUF)	76,313	0.78	76,313	[•]
Mr Bharat M. Hemani	1000	0.01	1000	[•]
Mr. Yugal B. Hemani	1000	0.01	1000	[•]
Mr Nitish A. Pitale	76,313	0.78	76,313	[•]
Ms Sheetal Pitale	76,313	0.78	76,313	[•]
Mr. Avinash C. Pitale (HUF)	76,313	0.78	76,313	[•]
Wintel Computers Private Limited	766,850	7.82	766,850	[•]
Sub-Total (B)	1,261,991	12.87	1,261,991	[•]
Other Investors	2,684,500	27.38	[•]	[•]
Sub-Total (C)	2,684,500	27.38	[•]	[•]
Public	-	-	[•]	[•]
Sub-Total (D)	-	-	[•]	[•]
TOTAL (A)+(B)+(C)+(D)	9,805,950	100.00	[•]	100.00

5. Equity shares held by the top ten shareholders:

5a. Top ten shareholders as on the date of filing the Red Herring Prospectus with RoC:

Name of Shareholder	Number of Shares	% shareholding as on that date
Mr. Atul M. Hemani	1813973	18.50
Mrs Shubhangi A. Pitale	1438838	14.67
Mr. Avinash C. Pitale	1378523	14.06
Mrs Amisha A. Hemani	988125	10.08
Wintel Computers Pvt. Ltd	766850	7.82
Winstar e-Commerce Pvt Ltd	300000	3.06
Mr Devarshi D. Buch	240000	2.45
Bashar Almutawa	231500	2.36
Multiventure Infotech Pvt. Ltd	175000	1.76
Perpetual Infotech Pvt. Ltd	169000	1.72

5b. Top ten shareholders ten days prior to filing the Red Herring Prospectus with RoC:

Name of Shareholder	Number of Shares	% shareholding as on that date
Mr. Atul M. Hemani	1813973	19.29
Mrs Shubhangi A. Pitale	1438838	15.30
Mr. Avinash C. Pitale	1378523	14.66
Mrs Amisha A. Hemani	988125	10.51
Wintel Computers Pvt.Ltd	766850	8.15
Winstar e-Commerce Pvt Ltd	300000	3.19
Mr Devarshi D. Buch	240000	2.55
Bashar Almutawa	231500	2.46
Multiventure Infotech Pvt. Ltd	175000	1.86
Perpetual Infotech Pvt. Ltd	169000	1.80

5c. Top ten shareholders two years prior to filing the Red Herring Prospectus with RoC:

Name of the Share holder	Number of Shares held	% shareholding as on that date
Canbank Venture Capital Fund	1702130	28.14
Mr. Atul M. Hemani	971250	16.05
Mrs. Shubhangi A. Pitale	959225	15.86
Wintel Computers Private Limited	931900	15.40
Mr. Avinash C. Pitale	530950	8.78
Mrs. Amisha A. Hemani	508750	8.41
Mr. Devarshi D. Buch	130000	2.15
Mr. Nitish A. Pitale	50875	0.84
Mr. Nirav A. Hemani	50875	0.84
Ms. Vidhi A. Hemani	50875	0.84
Ms. Sheetal A. Pitale	50875	0.84
Mr. Atul Hemani (HUF)	50875	0.84
Mr. Avinash Pitale (HUF)	50875	0.84

6. There is no “buy back” or “stand by” arrangement for purchase of Equity Shares by our Company, our Promoters, Directors, BRLM and Co-BRLM for the equity shares offered through the Red Herring Prospectus.
7. Our Company has not raised any bridge loan against the proceeds of the Issue.
8. Our company has 291 Shareholders as on the date of filing the Red Herring Prospectus with SEBI.

9. The draft prospectus contained a provision for issue of Equity Shares aggregating to Rs. 500 lacs for Pre-IPO placement. The details of the shares placed in accordance with the same are as under:-

Sr.No	Name of the Allottees	Number of Equity Shares	Issue Price per Equity Share (Rs.)	Total Amount (in Rs. Lacs)	Date of Issue of Equity Shares
1	Mr. Niral Patel	100000	100	100.00	December 21, 2006
2	Mr. Krishnamurthy Venkatchalan	100000	100	100.00	June 16, 2007
3	Mrs. Mansi P. Shah jointly with Mr. Parag Kishore Shah	100000	100	100.00	June 16, 2007
4	Mrs. Manisha K. Desai	60000	100	60.00	June 16, 2007
5	Mr. Urvish R. Vora	50000	100	50.00	June 16, 2007
6	Mr. Paresh S. Shah	10000	100	10.00	June 16, 2007
7	Mrs. Pallavi M. Desai	10000	100	10.00	June 16, 2007
8	Mr. Babu S. Prabhakar	10000	100	10.00	June 16, 2007
9	M/s. Nitin M Shah HUF	10000	100	10.00	June 16, 2007
10	Deepa P Shah	10000	100	10.00	June 16, 2007
11	Pradeep Shah	10000	100	10.00	June 16, 2007
12	Mr. Kunal Nitin Shah	7500	100	7.50	June 16, 2007
13	M/s. Rahul Nitin Sangahvi HUF	7500	100	7.50	June 16, 2007
14	Mr. Ketan M. Desai	5,000	100	5.00	June 16, 2007
15	Mr. Dhanpal Bandi	2,000	100	2.00	June 16, 2007
16	Multiventure Infotech Pvt. Ltd	2000	100	2.00	June 16, 2007
17	Arvind K Bheda	2000	100	2.00	June 16, 2007
18	Nikhil S Udani	1500	100	1.50	June 16, 2007
19	Anil J Bhayani	1500	100	1.50	June 16, 2007
20	Mrs. Himani R. Patel jointly with Mr. Rushabh	1000	100	1.00	June 16, 2007
	TOTAL	500000	100	500.00	

10. In the case of over-subscription in all categories, upto 50% of the Net Issue to the Public shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, at least 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and at least 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above this Issue Price. Under-subscription, if any, in any of the above categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of the Company, the BRLM and Co-BRLM.
11. An over-subscription to the extent of 10% of this Issue size can be retained for the purpose of rounding off while finalizing the Basis of Allotment.
12. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner, during the period commencing from submission of the Red Herring Prospectus with SEBI until the Equity Shares offered through the Red Herring Prospectus have been listed.

13. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions (including as per the "Business Purchase Agreement entered into with Edventure Systems Inc., dated August 27, 2006 whereby shares can be allotted to Mr. Anurag Shah only under ESOP as stated in note 25 hereinbelow. For further details refer to section titled "History and Other Corporate Matters beginning on page 102 of the Red Herring Prospectus or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
14. Our Company has not revalued its assets since our incorporation.
15. Our Company has not made any public issue since its incorporation.
16. Our Company undertakes that at any given time, there shall be only one denomination for the Equity shares of our Company and our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
17. As on the date of filing of the Red Herring Prospectus, other than as stated in note 14 hereinabove, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
18. An investor 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 Investors.
19. We have not issued any Equity Shares out of Revaluation Reserves or for consideration other than cash.
20. The Equity Shares held by our Promoters are not subject to any pledge
21. [•] Equity Shares aggregating to Rs.175 Lacs have been reserved for Allocation to the Eligible Employees on a competitive basis, subject to valid bids being received at or above the Issue Price and subject to the maximum bids in this portion.
22. Any under subscription in the Equity Shares under the Employee Reservation Portion would be added to the Net Issue and allotment shall be made in accordance with the description given in the chapter titled "Issue Procedure" beginning on page 179 of the Red Herring Prospectus
23. Our Company had entered into an Equity Subscription Agreement dated May 7, 2002 with Canbank Venture Capital Fund Limited for Venture Capital Assistance of Rs.400 Lacs in the form of subscription to 1702130 Equity Shares of our Company at a price of Rs.23.50 per share including premium of Rs.13.50 per share.

Further, the agreement terms included a provision for the buy-back of these Equity shares. Pursuant to the same, on May 4, 2006, our Promoters, Promoter Group and other entities viz. Perpetual Infotech Private Limited and Multiventure Infotech Private Limited, acquired 1702130 Equity Shares of our Company from Canbank Venture Capital Fund Limited, at a price of Rs.32.90/- per Equity Share.
24. At the meeting of the Board held on June 29, 2006, a trust has been constituted for the benefit of our existing and future employees, including Directors who are full time executives in the name OMNITECH EMPLOYEES WELFARE TRUST" ("the Trust"). Our Company has granted an interest free loan to the Trust for acquisition of 100000 Equity Shares on May 4, 2006, from Canbank Venture Capital Fund Limited at the rate of Rs.32.90 per share. Pursuant to the allotment of bonus shares at the Board Meeting held on September 2, 2006, in the ratio of, 1: 2 the current shareholding of the Trust in our Company is 150000 Equity Shares. The primary object of the Trust is to use the Trust Funds for the benefit of Eligible

Employees (as defined in the Trust Deed). This Trust Deed also has provisions for transfer of shares held by the Trust to Eligible Employees, and mechanism in relation thereto.

25. Our Company, in accordance with provisions of Unlisted Public Companies (Preferential Allotment) Rules, 2003 and in pursuance to the resolution under Section 81(1A) of the Companies Act, 1956, passed at the Annual General Meeting held on August 22, 2006, allotted 231,500 Equity Shares at a premium of Rs.90/- per Equity Shares on Preferential basis, at the meeting of the Board held on September 2, 2006.
26. Our Company has made an allotment of shares as follows :
- i. 80, 000 Equity Shares to Wintel Computers Private Limited on August 2, 1999;
 - ii. 12,00,000 Equity Shares to Mrs Amisha A Hemani, Mr Atul M. Hemani, Mrs. Vinita M. Hemani, Mr. Avinash C. Pitale, Mrs Shubangi A. Pitale and Wintel Computers Private Limited on August 14, 1999;
 - iii. 17,02,130 Equity Shares to Can bank Mutual Fund on July 25, 2002; and
 - iv. 231,500 Equity Shares to Mr. Bashir Mohammed Al Mutawa on September 2, 2006.
27. The name of the natural persons who are in control (holding 10% or more voting rights) or who are on the Board of Directors of any body corporate forming a part of the promoter group are as follows:

Company	Names
Omnitech Technologies Limited	Mr. Maganlal K. Hemani, Mr. Atul M. Hemani, Mr. Avinash C Pitale, Mrs. Vanita M. Hemani, Mrs. Amisha A. Hemani and Mrs. Shubhangi A. Pitale
Wintel Computers Private Limited	Mrs. Amisha A. Hemani and Mrs. Shubhangi A Pitale

28. The loan agreements as entered into by us contain several restrictive covenants. For details regarding the same and the consent/no-objection of our bankers for this Issue please refer section titled “Restrictive Covenants in Loan Agreements” beginning on page 133 of the Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objectives of the issue are to raise capital for developing and expanding our business and also to achieve the benefits of listing on the stock exchanges. We believe that listing will help us to enhance our brand name and corporate image. We shall utilise the funds for following business and operational requirements of our Company.

1. To fund acquisition(s) / strategic investments and/or to alternatively set up new technology center;
2. To set up overseas offices for business expansion;
3. To enhance our existing facilities;
4. To set up new technology centre(s);
5. To meet issues expenses;
6. To list the equity shares of the Company on the BSE and NSE.

Requirement of Funds

The total estimated funds requirement is given below:

Sr. No.	Particulars	Total Amount (Rs. in Lacs)
1.	Acquisition(s) / Strategic investments and/or to alternatively set up new technology center	1950.00
2.	Setting up of overseas offices	265.77
3.	Enhancement of our existing facilities	750.00
4.	Setting up of new technology centre(s)	650.00
5.	Issue expenses	[•]
6.	Contingencies	84.23
7.	General corporate purpose	[•]
	TOTAL	[•]

The main objects clause and objects incidental or ancillary to the main objects of the Memorandum of Association of our Company enables us to undertake existing activities as well as the activities for which the funds are being raised through this Issue

Our assessment of funds requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution or any independent organisation. Our expansion plans are subject to a number of variables, including possible cost overruns; construction/development delays or defects; receipt of various approvals from different authorities; and changes in management's views of the desirability of current plans, among others. In case of any variations in the actual utilization of funds earmarked for the above activities, the difference, if any, may be adjusted against the availability / requirement of funds in the areas identified as part of the expansion plans and/or increased fund deployment for a particular activity. The shortfall, if any, may be met with by surplus funds, if any available in the other areas and/or our Company's internal accrual, and/or borrowed funds. The balance proceeds of the Issue in addition to the above-mentioned requirements, if any, will be utilised for general corporate purposes

Means Of Finance

The above requirement of funds of Rs. [•] Lacs is proposed to be financed through:

(Rs. in Lacs)

Sources of Finance	Amount
Issue Proceeds	[•]
Proceeds from Pre-IPO Placement	500.00
Internal Accruals	[•]
Total	[•]

Details Of Funds Utilization

1. Acquisition(s) / Strategic investments and/or to alternatively set up new technology center

We plan to expand our business through organic and inorganic routes. We intend to leverage our expertise in domain knowledge, technology and geographical reach through acquisition(s) and strategic investments. We propose to target company(s), in India and/or abroad, which would provide value addition to our existing products and services and off-shore opportunities by virtue of their client base or through their existing capabilities to serve our clients better. Moreover, we believe that it is important to leverage on promoters/ top management skills and experience, of the target company(s) in those market and relationship with their existing customers for ensuring our business growth post acquisition.

Our Company has already appointed two Merger & Acquisition agencies namely Dawn Consulting ,Bangalore and Mosaic Capital Advisors LLC,,New York for identifying targets for acquisition(s) / investment(s).

Our company plans to utilise upto Rs.1950 Lacs towards such acquisition(s)/ strategic investments upto June 2008.

Our Company has floated two joint venture companies in Kingdom of Bahrain namely DRC Gulf WLL for providing disaster recovery services and Omni Gulf Technologies for other IT related products and services in the Middle East. The said companies were incorporated under the laws of Kingdom of Bahrain in December 2006 and January 2007 respectively.

We intend to utilize a sum of Rs. .800.00 lacs in above mentioned JVs as per the break-up given below:

<i>(Rs. in lacs)</i>		
Sr.No.	Particulars	Amount
1	DRC Gulf WLL	400.00
2	Omni Gulf Technologies WLL	400.00
Total		800.00

Further, our Company envisages a sum of Rs.300.lacs as additional investment that may require in our existing ventures and/or making strategic investments in new ventures.

In the event our Company is unable to utilize the balance funds of Rs.850 lacs earmarked for Acquisition(s) / Strategic investments upto June 2008, we intend to set up an additional 225 seater technology centre at Navi Mumbai/Pune by March 2009,as per the below details, as estimated by the management:

<i>(Rs. in lacs)</i>			
Sr. No.	Description	Particulars	Amount
1.	Office Premises on ownership basis	14625 Sq. Ft. @ Rs. 2800/- per Sq. Ft.	409.50
2.	Furniture & Fixture	14625 Sq. Ft. @ Rs. 1500/- per Sq. Ft.	219.38
3.	IT Infrastructure	Servers, Peripherals, Networking Equipments, bandwidth, software licenses and other related costs.	165.00
4.	Miscellaneous Expenses	For utilities deposit and other expenses	15.00
5.	Contingency (5%)	-	40.44
Total			849.32

2. Expansion of global geographic reach by setting up overseas operations

We intend to grow our business by spreading out our geographical reach to tap high potential markets such as USA, UK and Japan. To achieve this we want to set up our overseas offices within a span of next 8 to 9 months in the above-mentioned countries. Initially, these offices will handle the functions of customer liaisoning and marketing. Over the period, these offices will also handle other functions such as customer support operations, software development and implementation.

We believe these offices will become fully functional within a span of around 9 months from the date of being set up. The estimated cost of Rs. 300 Lacs comprises of rentals, salaries of the staff and other operational expenses on account of office establishment, traveling, conveyance, etc

The break up of approximate estimated investment for the US operations is as tabulated below:

Sr. No.	Item	Estimated Expenses (In US\$ per month)	Expenses Converted to INR per month in Lacs
1	Office space rentals per month	2000	0.82
2	Salaries	20500	8.39
3	Other overhead expenses	5000	2.05

For a period of 9 months, the total cost of our US operations is estimated at Rs. 101.34 Lacs.

The break up of approximate estimated investment for the UK operations is as tabulated below:

Sr. No.	Item	Estimated Expenses (In US\$ per month)	Expenses Converted to INR per month in Lacs
1	Office space rentals per month	1500	0.61
2	Salaries	17000	6.95
3	Other overhead expenses	3500	1.43

For a period of 9 months, the total cost of our UK operations is estimated at Rs. 80.91 Lacs.

The break up of approximate estimated investment for the Japan operations is as tabulated below:

Sr. No.	Item	Estimated Expenses (In US\$ per month)	Expenses Converted to INR per month in Lacs
1	Office space rentals per month	2000	0.82
2	Salaries	17000	6.95
3	Other overhead expenses	3700	1.51

For a period of 9 months, the total cost of our Japan operations is estimated at Rs. 83.52 Lacs.

3. Enhancement of existing facilities

Our existing facilities located at the Technology Centre and at our Navi Mumbai office. The facilities at our Technology Centre comprises of data center, NOC and technology services labs. The Disaster Recovery facilities are located at our Navi Mumbai office. To achieve our growth plans, we intend to invest approximately Rs. 750 Lacs for enhancement of capacities and also deployment of the technology and tools based on future needs. The details of the same are given below:

- ❑ **Disaster Recovery Center:** Presently, the Disaster Recovery Setup at our Navi Mumbai office has a seating capacity of 20 seats. We intend to expand and relocate the same either to Hyderabad or Bangalore. The proposed Disaster Recovery site will be equipped with requisite infrastructure tools like servers, voice and data connectivity, software, secured safe for media and working space facilities for clients. The approximate investment for the same would be Rs. 250 Lacs. The approximate estimated cost breakup of the same is given below:

Sr. No.	Description	Particulars	Amount in Lacs
1.	Security Deposit for furnished leased premises (11 months)	12000 Sq. Ft. @ Rs.70 per Sq. Ft. per month	92.40
2.	IT Infrastructure	Servers, Peripherals, Networking Equipments, bandwidth, software licenses and other related costs.	150.00
3.	Miscellaneous Expenses	for utilities deposit and other expenses	7.60
		Total	250.00

The break up of the IT Infrastructure is as below:

Sr. No.	Category	Details	Amount (Rs. in Lacs)	Quotation Date	Quotation Recv. From
1	Servers	X 346 Servers (3 Nos) + Storage	10.50	September 20, 2006	Redington India Limited
2	Software and Tools	MS Products + Antivirus	10.92	September 20& 29, 2006	Redington India Limited
		Veritas	4.00	September 20, 2006	Ingram Micro India Pvt. Ltd
		Oracle	26.10	September 19, 2006	Sonata Information Technology Ltd
3	Workstations	P4 Desktops (35 Nos)	14.00	September 20, 2006	Redington India Limited
4	Security components	Surveillance Cameras	28.00	September 19, 2006	X Serve India Pvt Ltd
		Finger Scanners	1.13	September 18, 2006	Vital Systems
5	Networking components	Routers and Switches	22.80	September 20, 2006	Redington India Limited
		Racks	1.02	September 21, 2006	Willsher & Quick
6	Other Expenses	Projector, UPS, Installation	28.00	September 20, 2006	Redington India Limited
		Installation	3.53		Management Estimates
TOTAL			150.00		

Prices are exclusive of Octroi

❑ Network Operations Center:

The 9 seater NOC at our Technology center is equipped with technology tools including in-house developed tools. We intend to expand its seating capacity to 30 with technology tools from industry leaders for customer specific requirements. NOC shall be connected through various connectivity options to suit each customers needs. The approximate investment for the same would be Rs. 500 Lacs. The breakup of the same is given below:

Sr. No.	Category	Details	Amount (Rs. in Lacs)	Quotation Date	Quotation Recv. From
1	Servers	X 366 Servers (13 Nos), Storage	71.50	September 20, 2006	Redington India Limited
2	Software and Tools	MS Products, Unicentre, Antivirus	46.70	September 20, 2006	Redington India Limited
		Veritas + Citrix	147.80	September 19, 2006	Ingram Micro India Pvt. Ltd
		Oracle + Mercury	135.00	July 20, 2006	Sonata Information Technology Ltd
3	Workstations	P4 Desktops (15 Nos)	6.00	September 20, 2006	Redington India Limited
4	Security components	Surveillance Cameras, Finger Scanners	29.10	September 18 & 19, 2006	X Serve India Pvt Ltd, Vital Systems

5	Networking components	Routers and Switches	32.30	September 20, 2006	Redington India Limited
		Power, Installation	26.00	September 20, 2006	Redington India Limited
6	Miscellaneous	Installation	5.60		Management Estimates
TOTAL			500.00		

Setting up of new Technology Centre(s)

We offer outsourcing of technology services to global customers using “India Advantage”. These services include various business support and technology services. We offer BOT and SaaS service delivery models for India off-shore services. The joint capacity of current facilities at our Technology Center and our Navi Mumbai office is over 220 seats. We intend to add additional 350 seats to meet our current expansion plans. We plan to acquire properties on lease/rent at Navi Mumbai for the same. We also plan to have necessary IT infrastructure with seamless connectivity with existing centers installed at these facilities. The approximate investment for the same would be Rs. 300 Lacs. The breakup of the same is given below:

Sr. No.	Category	Details	Amount (Rs. in Lacs)	Quotation Date	Quotation Received From
1	Servers	X 346, 2 Nos+ Storage	19.48	September 1 & 20, 2006	Redington India Limited
2	Software and Tools	MS Products, Citrix Unicentre + Antivirus	33.40	September 20, 2006	Redington India Limited
		Veritas	6.68	September 19 & 20, 2006	Ingram Micro India Pvt. Ltd
		Oracle + Rational	85.60	September 19, 2006	Sonata Information Technology Ltd
3	Workstations	P4 Desktops 300 nos	100.00	September 20, 2006	Redington India Limited
4	Security components	Surveillance Cameras	2.80	September 19, 2006	X Serve India Pvt Ltd
		Finger Scanners	1.12	September 18, 2006	Vital Systems
5	Networking components	Routers and Switches	15.80	September 20, 2006	Redington India Limited
		Racks	4.50	September 21, 2006	Willsher & Quick
6	Miscellaneous	UPS, Installation	28.00	September 20, 2006	Redington India Limited
		Installation	2.62		Management Estimates
	TOTAL		300.00		

- ❑ **Data Center:** We intend to install servers and data storage, automated backup devices & software, software for development and testing labs, security solutions, monitoring and management tools, redundant connectivity including dedicated IPLCs, leased circuits & shared services and related networking components. The data center shall take-in the expanded capacities of our new technology center(s), NOC and Disaster Recovery Centre for data storage and server space. Overall expansion cost is estimated at Rs.350 Lacs for this. The breakup of the same is given below:

Sr. No.	Category	Details	Amount Rs.in Lacs	Quotation Date	Quotation Received from
1	Servers	X 346 Servers (8 Nos) , Storage	95.60	September 20, 2006	Redington India Limited
2	Software and Tools	MS Products, Antivirus	27.24	September 20, 2006	Redington India Limited
		Veritas, Citrix	20.00	September 20, 2006	Ingram Micro India Pvt. Ltd

		Mercury, Oracle, Rational	114.87	September 19, 2006	Sonata Information Technology Ltd
3	Workstations	P4 Desktops (2 Nos)	0.80	September 20, 2006	Redington India Limited
4	Security components	Surveillance Cameras	28.00	September 18, 2006	X Server
5	Networking components	Finger Scanners	1.13	September 18, 2006	Vital Systems
		Routers and Switches	30.00	September 20, 2006	Redington India Limited
		Racks, LCD Projector	4.00	August 17, 2006	Willsher & Quick
6	Miscellaneous	UPS, Installation	28.00	September 20, 2006	Redington India Limited
		Installation	0.36		Management Estimates
TOTAL			350.00		

Prices are exclusive of Octroi

Issue Related Expenses

Issue related expenses includes underwriting and Issue management fees, selling commission, distribution expenses, legal fees, printing and stationery costs, advertising expenses, listing fees payable to the Stock Exchanges and other expenses etc. The total expenses for the Issue are estimated at Rs. [•] which constitutes [•]% of the Issue size. All the Issue related expenses should be met out of the proceeds of the Issue.

The break-up of the same is as follows:

(Rs. in Lacs)

Particulars	Expenses	As a % of the Issue size	As a % of the total issue expenses
Management fees, underwriting commission and brokerage	[•]	[•]	[•]
Marketing and advertisement expenses	[•]	[•]	[•]
Stationary, printing and registrar expenses	[•]	[•]	[•]
Others	[•]	[•]	[•]
Total	[•]	[•]	[•]

Schedule Of Implementation

The details of schedule of implementation are as follows:

Sr.No	Activity	Commencement Date	Completion Date
1	Acquisition/Strategic investments	August 2006	June 2008
	and / or alternatively to set up new technology center	July 2008	March 2009
2	Setting up Overseas offices	July 2007	March 2008
3	Enhancing existing facilities	July 2007	March 2008
4	Setting up of new technology centre(s)	July 2007	June 2008

Funds Deployed

As per the certificate dated June 16, 2007 of our auditors M/s Kothari & Kenia, Chartered Accountants our Company has incurred Rs. 113.36 Lacs as on June 14, 2007, for the expansion project out of internal accrual and Pre-IPO Placement proceeds. The details of the amount spent are as follows:

(Rs. in Lacs)

Particulars	Amount
Acquisition(s)/ Strategic investments	113.36
Total	113.36

Details of Balance Funds Deployment**(Rs. in Lacs)**

Activity	Cost	FY 2008	FY 2009
Acquisition (s)/Strategic investments	1836.64	600.00	1236.64
Setting up Overseas offices	265.77	265.77	-
Enhancing existing facilities	750.00	750.00	-
Setting up of new technology center(s)	650.00	480.00	170.00
Total	3502.41	2095.77	1406.64

Interim Use of Proceeds

The management, in accordance with the policies set up by the Board, will have the flexibility in deploying the proceeds received from the fresh issue. Pending utilization for the purposes described as above, we intend to temporarily invest the funds in high quality, interest/dividend bearing liquid instruments including deposits with banks, money market mutual funds for the necessary duration. Such investments would be in accordance with investment policies approved by our Board or a duly authorised committee thereof, from time to time.

Monitoring of Utilization of Funds

UTI Bank Ltd. has been appointed as the monitoring agency to monitor the deployment of issue proceeds. We will disclose the utilization of the proceeds of the Issue under a separate head in the balance sheet clearly specifying the purpose for which such proceeds have been utilized. No part of the issue proceeds will be paid by us as consideration to our Promoters, Directors and Key Managerial Personnel except in the normal course of business.

BASIS OF ISSUE PRICE

The Price Band for the Issue Price will be decided by us in consultation with the BRLM and Co-BRLM and specified in the Red Herring Prospectus that will be filed with the RoC. The Price Band will also be advertised in an English language newspaper, a Hindi language newspaper with wide circulation and a regional language newspaper. The Issue Price will be determined by our Company in consultation with the BRLM and Co-BRLM on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 9 times the face value at the lower end of the Price Band and 10.5 times the face value at the higher end of the Price Band.

Qualitative Factors:

Established Client Relationships- Over the last 15 years, we have established broad based client relationships across the industry segments which can be leveraged to offer our existing as well as future offerings. Further, these relationships will help us in acquiring new clients to grow our business.

End User Experience – We provide complete end-to-end business availability and business continuity services to our customers for enhancing end user experience. We provide business availability services by proactive management of IT infrastructure as well as application management to make IT set up available for the business at all times. Our performance management services further ensure that IT set up is available optimally. We offer business continuity services at all four levels viz., data, equipment, site and people.

Innovative IP based products and services – Our indigenously designed products and tools enable us to provide value for money and get advantage on commercials by saving on license costs to third parties.

Flexible Delivery Models – We have adaptive delivery models to suit our customer's specific needs. Our BOT and SaaS delivery models enable customers to derive the business benefits rapidly with minimal risks and investments. At the same time these delivery models allow our clients to get off-shore center operational much quicker, to get competitive business advantage and focus into their core business activities.

Our Facility at our Technology Center- Our facility at our Technology Center has NOC, Data Center, PoC center, technology labs that are fully operational and offer an ideal platform for delivery of technology services. Being situated in Andheri, Mumbai, it has a great strategic advantage too in terms of availability of skills and proximity to international airport among other factors.

Technology Driven and Focused Management – Our Promoters are technocrats having individual experience of over 20 years in IT industry. Our continued investments into technology space and on-going upgradation of technological skills blended with personal attention help us to design and offer technically suitable solutions to our customers.

Close relationship with global IT companies- Our close business relationship with global IT companies such as Borland Software India Private Ltd. and Tandberg Data (Asia) Pte Ltd, enable us to adapt innovative technology and acquire the technical expertise to offer techno-commercially viable and optimized solutions to our customers. Such relationships also help us to understand the technology roadmap to adequately equip ourselves for formulating future strategies.

India Advantage – We bring value to our global customers by utilizing “India Advantage” of having right skills, better communication ability, different time zones and a cost-effective execution and operation model.

Technical Skills- Technical Skills involve in-depth knowledge of respective technologies. Due to adequate educational background and experience we believe that our employees possess these capabilities and have executed projects on various platforms. To keep our employees abreast of technologies we conduct various training programs from time to time. For further details refer to chapter titled “Our Business” beginning on page 78 of the Red Herring Prospectus

Strategic Benefits through ESI acquisition- By acquiring the business of ESI we have increased our presence in the software testing business and can leverage the existing relationships of ESI clients by offering our other products/services to them.

Quantitative Factors:

Earnings per Share (EPS)

Year	Adjusted PAT	No. of shares	EPS (Rs.)	Weights
Year ended March 31, 2007	1183.23	9405950	14.82	3
Year ended March 31, 2006	753.44	6049630	12.45	2
Year ended March 31, 2005	33.96	6049630	0.56	1
Weighted Average			11.66	

2. **Price/Earning (P/E) ratio in relation to Issue Price of Rs. [●]**

a. Based on fiscal 2007 Diluted EPS of Rs. 12.06

3. **Return on Net Worth (RoNW)**

Year	RoNW (%)	Weights
Year ended March 31, 2007	38.87	3
Year ended March 31, 2006	45.20	2
Year ended March 31, 2005	3.47	1
Weighted Average	35.08	

4. **Minimum return on increased Net Worth required maintaining pre-Issue EPS of Rs. 14.82 - [●]**

5. **Net Asset Value per share (NAV)***

Year	NAV (Rs.)
As at March 31, 2007	32.37
After Issue at Issue price	[●]
Issue Price per Equity Share	[●]

**NAV on Equity Share of Face Value of Rs.10/-*

Issue Price per Share will be determined on conclusion of book building process.

6. **Comparison with industry peers**

Omnitech InfoSolutions Limited is a technology service provider and is dedicated to deliver a range of technology services as well as technology-enabled services to our clients. Our portfolio of offerings includes a range of IT services and products such as business availability services, business continuity services, systems integration solutions, and framework solutions and products. In business availability services, we provide services such as infrastructure management, application management and software testing. In business continuity services, we provide services such as disaster recovery management and disaster recovery consulting and auditing. There are no comparable listed companies and hence comparison of the Company with peer group is not given.

7. Issue Price is 9 times of the face value at the lower end of the price band and 10.5 times of the face value at the higher end of the price band. The Issue Price of Rs. [●] has been determined by us in consultation with the BRLM and Co-BRLM on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above factors.
8. The BRLM and Co-BRLM believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. See the chapter titled “Risk Factors” beginning on page 13 of the Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the Auditors Report in section titled “Financial Statements” beginning on page 134 of the Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

To

The Board of Directors
Omnitech Infosolutions Limited
Omnitech House, A/13, Cross Road No. 5,
Kondivita Road, M.I.D.C. Marol,
Andheri (East), Mumbai – 400 059

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by the Company, states the possible tax benefits available to Omnitech Infosolutions Limited. ('the Company') and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of 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 the business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, 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 and we shall not be liable to any other person in respect of this statement.

Further, we have expressed our views based on our interpretation of existing provisions of the Income tax law, which may change from time to time. We do not assume any responsibility and shall not be liable to Omnitech Infosolutions Ltd., for any claims, liabilities or damages / expenses relating to this assignment except to the extent of 50% of fees received for this assignment.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

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, where applicable have been/would be met.

For M/s. Kothari & Kenia
Chartered Accountants

Nailesh R.Kothari.
Partner
Membership No. 42367

Place: Mumbai
Date: 16.06.2007

I. BENEFITS AVAILABLE UNDER THE INCOME TAX ACT, 1961

A. To the Company

The Company will be entitled for the following tax benefits in computing the Taxable Income under the Provisions of the Income Tax Act, 1961 (The Act).

SPECIAL TAX BENEFITS

1. Tax holiday under Section 10A of the Income Tax Act.

As per the provisions of Section 10A of the Income Tax Act, the Company is eligible to claim a benefit with respect to profits derived by its undertaking/s from the export of articles or things or computer software for a period of ten consecutive assessment years, beginning with the assessment year relevant to the previous year in which the undertaking/s begin to manufacture or produce such articles or things or computer software. However, the benefit is available subject to fulfillment of conditions prescribed by the Section and no benefit under this Section shall be allowed with respect to any such undertaking for the assessment year beginning on the 1st day of April, 2010 and subsequent years.

However from the assessment year 2008-09, the amount of income tax that is deductible under section 10A will be subject to the provisions of minimum alternate tax. U/s 115JB.

GENERAL TAX BENEFITS

1. Dividend income:

Dividend (both interim and final) income, if any, received by the Company on its investment in shares of another Domestic Company shall be exempt from tax under Section 10(34) read with Section 115-O of the Act. Income received in respect of units of a Mutual Fund specified under Section 10(23D) of the Act shall be exempt from tax under Section 10(35) of the Act.

2. Capital gains:

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Shares held in a Company or any other securities listed on a recognized stock exchange in India or units of UTI and specified Mutual Fund/zero coupon Bonds are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of long-term capital assets are considered as 'long-term capital gains'. Capital gains arising on transfer of these assets held for a period of 12 months or less are considered as 'short-term capital gains'.

Section 48 of the Act, prescribes the mode of computation of capital gains. It provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, for resident shareholders it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/improvement by the prescribed cost inflation index. The benefit of indexation is not available in respect of long-term capital gains arising from the transfer of long-term capital asset like bonds and debenture other than capital indexed bonds issued by the Government.

Long-term capital gains arising on transfer of equity shares 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), on a recognized stock exchange on or after October 1, 2004 are exempt from tax under Section 10 (38) of the Act provided the transaction is chargeable to Securities Transaction Tax (STT).

Under the provisions of Section 112 of the Act, long-term capital gains, which are not exempt under Section 10(38), are subject to tax at the rate of 20 per cent (plus applicable surcharge on tax and education cess on tax and surcharge), in case where indexation benefit is claimed. However, under the proviso to Section 112 (1), if the tax on long-term capital gains arising on transfer of listed securities or units or zero coupon bonds computed at the rate of 20 per cent (plus applicable surcharge on tax and education cess on tax and surcharge) after availing the benefit of indexation exceeds the tax on the long-term capital gain computed at the rate of 10 per cent (plus applicable surcharge on tax and education cess on tax and surcharge) without availing the benefit of indexation, then such excess tax is ignored for the purpose of computing the tax payable on the capital gains.

Further Long Term Capital Gain would be subject to Minimum Alternate Tax U/s. 115JB.

On or after October 1, 2004, under the provisions of Section 111A of the Act, short-term capital gains arising on sale of equity shares or units of equity oriented mutual fund (as defined) under Section 10 (23D), on a recognized stock exchange are subject to tax at the rate of 10 per cent (plus applicable surcharge on tax and education cess on tax and surcharge), provided the transaction is chargeable to STT.

Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

As per Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains which are not exempt under Section 10(38) of the Act shall not be chargeable to tax in the proportion of capital gains, which are invested in certain long term specified assets within six months from the date of transfer for a period of 3 years.

Long Term specified assets means, any bond, redeemable after three years and issued on or after April 1, 2007 by the National Highways Authority of India or by the Rural Electrification Corporation Limited.

Investment made in "long-term specified asset" on or after April 1, 2007 cannot exceed Rs. 50,00,000 in any financial Year.

If the Company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of its acquisition, the amount of gains exempted earlier would be chargeable to tax as long-term capital gains in such year.

Where the benefit of section 54EC has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

3. **Depreciation / Business Loss:**

The Company shall be entitled to claim depreciation on tangible and intangible assets owned by it and used for the purposes of its business in accordance with provisions of Section 32 of the Act.

Unabsorbed depreciation can be carried forward in future years. Business losses can be carried forward for eight years for set off against subsequent business profits.

4. Rebate:

As per Section 88E of the Act, the STT paid in respect of the taxable securities transactions entered into in the course of business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.

5. MAT Credit

Under section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax ('MAT') paid under section 115JB of the Act for any assessment year commencing on or after April 1st, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 7 years succeeding the year in which the MAT credit is allowed.

B. To the Resident Members of the Company

GENERAL TAX BENEFITS

1. Dividend income:

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

2. Capital gains:

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Shares held in a Company or any other securities listed on a recognized stock exchange in India or units of UTI and specified Mutual Fund/zero coupon Bonds are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of long-term capital assets are considered as 'long-term capital gains'. Capital gains arising on transfer of these assets held for a period of 12 months or less are considered as 'short-term capital gains'.

Section 48 of the Act, prescribes the mode of computation of capital gains. It provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, for resident shareholders it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by the prescribed cost inflation index. The benefit of indexation is not available in respect of long-term capital gains arising from the transfer of long-term capital asset like bonds and debenture other than capital indexed bonds issued by the Government.

Long-term capital gains arising on transfer of equity shares 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), on a recognized stock exchange on or after October 1, 2004 are exempt from tax under Section 10 (38) of the Act provided the transaction is chargeable to Securities Transaction Tax (STT).

Under the provisions of Section 112 of the Act, long-term capital gains which are not exempt under Section 10(38), are subject to tax at the rate of 20 per cent (plus applicable surcharge on tax

and education cess on tax and surcharge), in case where indexation benefit is claimed. However, under the proviso to Section 112 (1), if the tax on long-term capital gains arising on transfer of listed securities or units or zero coupon bonds computed at the rate of 20 per cent (plus applicable surcharge on tax and education cess on tax and surcharge) after availing the benefit of indexation exceeds the tax on the long-term capital gain computed at the rate of 10 per cent (plus applicable surcharge on tax and education cess on tax and surcharge) without availing the benefit of indexation, then such excess tax is ignored for the purpose of computing the tax payable on the capital gains.

On or after October 1, 2004, under the provisions of Section 111A of the Act, short-term capital gains arising on sale of equity shares or units of equity oriented mutual fund (as defined) under Section 10 (23D), on a recognized stock exchange are subject to tax at the rate of 10 per cent (plus applicable surcharge on tax and education cess on tax and surcharge), provided the transaction is chargeable to STT.

Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

As per Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains which are not exempt under Section 10(38) of the Act shall not be chargeable to tax in the proportion of capital gains, which are invested in certain long term specified assets within six months from the date of transfer for a period of 3 years.

Long Term specified assets means, any bond, redeemable after three years and issued on or after April 1, 2007 by the National Highways Authority of India or by the Rural Electrification Corporation Limited.

Investment made in "long-term specified asset" on or after April 1, 2007 cannot exceed Rs. 50,00,000 in any financial Year.

If the Company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of its acquisition, the amount of gains exempted earlier would be chargeable to tax as long-term capital gains in such year.

Where the benefit of section 54EC has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

As per the provisions of Section 54F of the Act and subject to conditions specified therein, any long-term capital gains (other than on residential house but including those on shares) which are not exempt under Section 10(38) of the Act, arising to an individual or Hindu Undivided Family are exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. Provided that the individual should not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains

in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then

the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

3. **Rebate:**

As per Section 88E of the Act, the STT paid in respect of the taxable securities transactions entered into in the course of business would be eligible for rebate from the amount of income tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.

C. To the Non-Resident Members (other than FIIs and Foreign Venture Capital Investors)

GENERAL TAX BENEFITS

1. **Dividend income:**

Dividend (both interim and final) income, if any, received by the non-resident/non-resident Indian shareholders from the domestic company shall be exempt under Section 10(34) read with Section 115-O of the Act.

2. **Capital gains:**

Benefits outlined in Paragraph 2.1(b) above are also available to a non-resident/non-resident Indian shareholder except that under first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure 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 is not available to non-resident shareholders.

3. **Rebate:**

As per Section 88E of the Act, the STT paid in respect of the taxable securities transactions entered into in the course of business would be eligible for rebate from the amount of income tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.

3. **Tax Treaty Benefits:**

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident/non-resident Indian shareholder. Thus, a non-resident/non-resident Indian shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.

4. **Capital gains tax – Options available to a non-resident Indian under the Act;**

Where shares have been subscribed to in convertible foreign exchange – Option of taxation under Chapter XII-A of the Act:

Non-Resident Indians [as defined in Section 115C(e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

According to the provisions of section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's

shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.

According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

As per the provisions of Section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

D. To Foreign Institutional Investors (FIIs)

GENERAL TAX BENEFITS

In terms of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003) received on the shares of the company is exempt from tax.

In terms of section 10(38) of the Act, any long term capital gains arising to an investor from transfer of long-term capital asset being an equity share in a company or a unit of an equity oriented fund would not be liable to tax in the hands of the investor if the following conditions are satisfied:

- The transaction of sale of such equity share is entered into on or after 1st October, 2004;
- The transaction is chargeable to securities transaction tax as explained below.

In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains

of business or profession” arising from such taxable securities transactions. As such, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains,

The income by way of short-term capital gains / long-term capital gains realized by FIIs on sale of shares in the company would be taxed at 30% / 10% respectively, as per section 115AD of the Act. (However, in respect of short term capital gains referred to in section 111A the tax rate applicable will be 10%). The benefit of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable to a FII.

As per Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains which are not exempt under Section 10(38) of the Act shall not be chargeable to tax in the proportion of capital gains, which are invested in certain long term specified assets within six months from the date of transfer for a period of 3 years.

Long Term specified assets means, any bond, redeemable after three years and issued on or after April 1, 2007 by the National Highways Authority of India or by the Rural Electrification Corporation Limited.

Investment made in “long-term specified asset” on or after April 1, 2007 cannot exceed Rs. 50,00,000 in any financial Year.

If the Company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of its acquisition, the amount of gains exempted earlier would be chargeable to tax as long-term capital gains in such year.

Where the benefit of section 54EC has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

Under section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the Act or the applicable tax treaty, whichever is more beneficial.

E. To Venture Capital Companies/Funds

GENERAL TAX BENEFITS

Under section 10(23FB) of the Act, all venture capital companies/funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including dividend from and income from sale of shares of the company.

F. To Mutual Funds

GENERAL TAX BENEFITS

Under section 10(23D) of the Act, any income of Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under or Mutual Funds authorized by the Reserve Bank of India, subject to the conditions specified, would be exempt from income tax.

II. BENEFITS TO COMPANY AND SHAREHOLDERS UNDER THE WEALTH TAX ACT, 1957.

GENERAL TAX BENEFITS

Shares of the company held by the shareholder is not treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, shares are not liable to wealth tax.

III. BENEFITS TO SHAREHOLDERS OF THE COMPANY UNDER THE GIFT TAX ACT, 1958

GENERAL TAX BENEFITS

Gift of shares of the Company made on or after October 1, 1998 would not be liable to Gift Tax provided the gift is made to related persons. Gift of shares of the company to unrelated persons exceeding Rs 50,000/- would however be taxed as income in the hands of the recipient as per amendment made by the Taxation Laws (Amendment) Act, 2006, w.e.f. 01.04.2007

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2007.
2. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not complete analysis or list of all potential tax consequences.
3. The stated benefits will be available only to the sole/first named holder in case the share are held by joint holders.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
5. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

SECTION IV – ABOUT US

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly available documents prepared by NASSCOM and has not been prepared or independently verified by us or any of our advisors.

Current Global Trends In IT-ITES Industry:

Competitive environment is evolving due to increasing globalisation, changes in global business & economic conditions and explosion of technology. All these factors have changed the traditional way of doing the business, as a result most of the organisations are trying to adapt themselves with the changing environment by making innovative changes in their business processes to deliver the results to their customers.

Moreover, the intensified competition is forcing organisations to deliver the results quickly with higher standard of quality and at lower cost. To remain competitive the organisations have started changing their business strategies by focusing more on their core competencies. IT is playing an important role in enhancing productivity, streamlining operations process to reduce overall cost and helping organisations to remain competitive. To get optimum benefits of IT investments, most of the organisations have started outsourcing IT services.

In CY 2007, worldwide spending on IT-ITES grew YoY by nearly 5.81% on the back of better spending across key markets of USA and Western Europe, and strong growth in emerging markets. In the same year global IT-ITES industry has seen gradually increasing optimism and steady growth. The industry has seen the growth on the back of maturing global service delivery and increasing outsourcing adoption.

According to IDC study it is projected that global IT-ITES industry will touch US\$ 2643.56 bn in CY2008. As per IDC projections the rapid growth is likely to continue in the global offshore IT-ITES industries. It is estimated that the addressable market for global off-shoring is above US\$300 billion, split almost evenly between IT and ITES. Further, it is estimated that only around 10 per cent or so of this addressable market has been realised so far, leaving ample scope for future growth.

Segment wise Global IT-ITES spending forecast:

There has been a constant growth in global IT-ITES spending and is expected to remain so in future with expected CAGR for CY 2005-08 at around 5.86%

(US\$ bn)

Particulars	CY2005	CY2006	CY2007	CY2008F	CAGR^
Hardware	424.20	456.50	488.60	518.70	6.93%
Software Products	211.30	228.00	246.00	264.90	7.93%
IT Services	1208.23	1254.21	1300.25	1349.56	3.76%
ITES-BPO	384.50	422.70	463.70	510.40	9.90%
Total	2228.23	2361.41	2498.55	2643.56	5.86%

Source: Nasscom, IDC

CAGR^ for the period CY2005 to CY2008

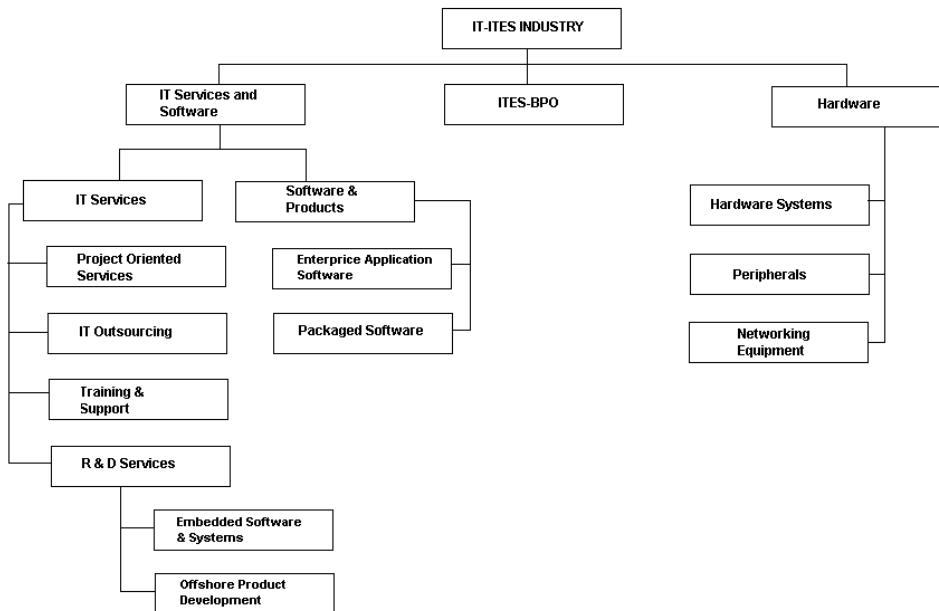
Globally lot of new opportunities are also emerging in off-shore IT services such as KPO services where IT and ITES services are converged and offered as a single window solution such as business support services, technical support services, package implementation and software deployment, remote infrastructure management, disaster recovery management, IT consulting, and independent test lab, etc.

Indian IT-ITES Industry:

The reforms and the progressive policies initiated by the Government of India in the year 1991 have been contributing to the growth of the Indian economy over the past fifteen years. The growth of Indian IT-ITES is synonymous to the economic growth of India, which can be attributed to the “India Advantage” such as availability of right skills, better communication ability, different time zone and competitive pricing. The enabling policy environment provided by the central and state governments have played a crucial role in the rapid growth of this sector. In the last decade India has been the leading off-shore destination for IT-ITES off-shoring services.

Its success is best demonstrated by the fact that several other countries are trying to follow the policy environment that has helped develop the IT-ITES sector in India. This policy has also helped India in establishing itself as a most preferred destination for IT-ITES sourcing.

Indian IT-ITES Industry Segmentation



Growth of Indian IT-ITES Industry

Over the past few years, Indian IT-ITES industry has contributed significantly to the economic growth of the country. This industry has grown from US\$8.30 billion in FY 2000 to US\$47.78 billion in FY 2007, showing healthy CAGR of approximately 28%. In the same period export markets have contributed significantly to overall growth in this industry as compared to domestic markets. Currently the industry directly employs nearly 1287000 people in the export segment and provides indirect employment to approximately 3 million workers.

Total Indian IT-ITES industry Revenue (Export + Domestic):

The ITES segment is the fastest growing segment in IT-ITES industry with major contribution of revenue coming from IT Services & Software.

(US\$ bn)

Category	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY2005	FY2006	FY2007	CAGR^
Hardware	2.40	3.40	3.20	3.60	4.90	5.74	7.08	8.15	19.08%
IT Services & Software	5.30	7.70	8.60	9.80	13.40	17.34	23.11	30.13	28.18%
ITES-BPO	0.60	1.00	1.60	2.70	3.40	5.20	7.20	9.50	48.38%
Total	8.30	12.10	13.40	16.10	21.70	28.28	37.39	47.78	28.41%

CAGR^ for the period FY 1999-00 to FY 2006-07

Source: NASSCOM

Opportunities for Indian IT-ITES industry:

- To tap new markets such as Europe, Middle East, Australia and Asia
- To provide value added services such as business support, technical support, product development and sustenance, IT consulting, disaster recovery management, infrastructure management, remote infrastructure management, software testing, etc.

Export market for IT-ITES industry:

In the last decade global offshore market for Indian IT-ITES industry is growing rapidly due to “India Advantage” of having right skills, better communication ability, high quality delivery capabilities, different time zones and most cost-effective execution and operation model. India Advantage is further enhanced by effective education system and favorable government policies for IT-ITES industry. Presently India accounts for 65% and 46% of the global offshore IT services and ITES market respectively.

In the year 2005 the Indian IT multinationals started building noticeable global presence through cross border acquisitions and organic growth in other low cost locations. This was further complemented by global players continuing to significantly enhance their offshore delivery capabilities in India, proving the success of the global delivery model and highlighting India’s increasingly important role in the global IT-ITES industry.

Export revenues of IT-ITES industry:

Export revenues of IT-ITES industry has grown from US\$ 4bn in FY 2000 to US\$ 31.88bn in FY 2007 clocking CAGR of 34.52%. In exports, IT services segment has contributed significantly as compared to IT hardware segment.

(US\$ bn)

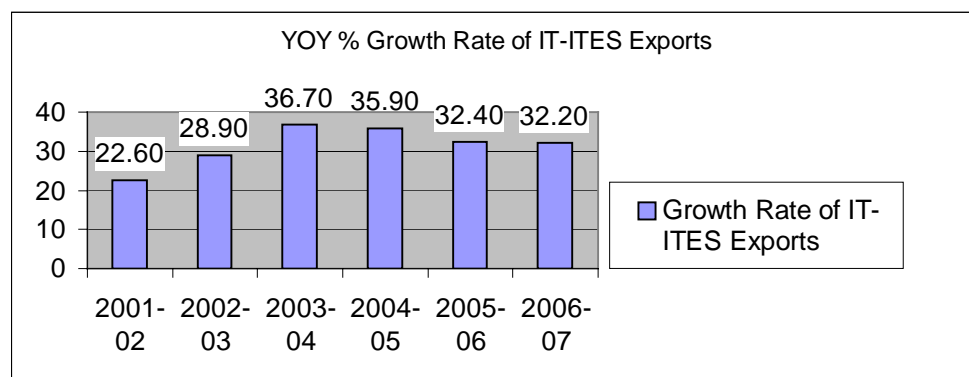
Category	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY2005	FY2006	FY2007	CAGR^
Hardware	NA	NA	NA	0.30	0.50	0.50	0.50	0.60	*18.92%
IT Services & Software	3.40	5.30	6.10	7.00	9.80	13.11	17.31	22.98	31.39%
ITES-BPO	0.60	0.90	1.50	2.50	3.10	4.60	6.30	8.30	45.54%
Total	4.00	6.20	7.60	9.80	13.40	18.21	24.11	31.88	34.52%

CAGR^ for the period FY 1999-00 to FY 2006-07

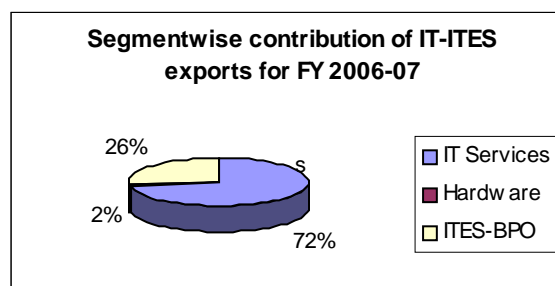
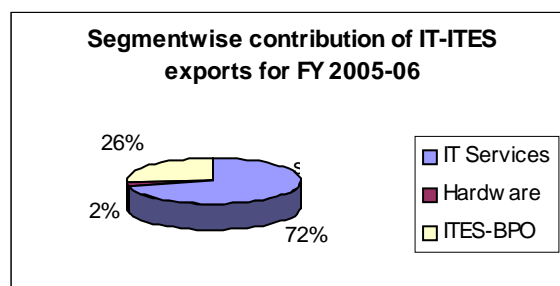
* Calculated for FY 2003-07, NA: Not Available

Source: NASSCOM

The Year on Year growth rate slowed down in the FY 2002 and FY 2003 due to slow down in global and US economy. The recovery in these economies has helped Indian IT-ITES industry to achieve around 32% growth in FY2006 and FY2007.



Segment wise contribution of IT-ITES exports revenues for FY 2005-06 and FY 2006-07 shows that IT services is the major contributor to the IT-ITES export revenue.



Prospects of exports for IT-ITES industry

According to NASSCOM the Indian IT-ITES industry is capable of generating US\$60 bn in export revenues by 2010. Further, it is possible to generate an additional US\$15-20bn of export revenue over the next 5 to 10 years by continuing innovation across three dimensions:

- (a) Business model innovation (e.g., focusing on new service lines like infrastructure management offshoring);
- (b) Knowledge innovation (e.g., developing deep IP-based solutions); and
- (c) Ecosystem innovation (e.g., systematic talent enhancement, better technology research, more seed-stage capital).

It is projected that by 2010, this industry would employ nearly 2.3 million people and provide indirect and induced employment for another approximately 6.5 million workers.

Domestic Market for IT-ITES industry:

During the last few years the continuous growth in IT-ITES exports is getting complemented by growing demand in the domestic market. Currently India is considered to be one of the fastest growing IT markets in the Asia-Pacific region. Hardware segment still accounts for major share in the domestic IT-ITES market followed by services.

Recognising the potential of the domestic market, top players in the IT-ITES industry have started focusing on domestic markets that can be seen from the fact that proportion of domestic revenue in the total revenue is increasing.

The domestic market of IT-ITES industry has grown from US\$ 4.30bn in FY 2000 to US\$ 15.94bn in FY 2007 clocking CAGR of 20.58%. In the domestic market hardware segment has contributed significantly to the total domestic revenue as compared to services segment as against global trend where services segment dominated IT-ITES industry. The Indian IT-ITES industry domestic revenues for FY 2000-2007 shows that the ITES-BPO is the fastest growing segment.

(US\$ bn)

Category	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY2005	FY2006	FY2007	CAGR^
Hardware	2.40	3.40	3.20	3.30	4.40	5.20	6.50	7.60	17.90%
IT Services & Software	1.90	2.40	2.50	2.80	3.60	4.23	5.81	7.15	20.84%
ITES-BPO	NA	0.10	0.10	0.20	0.30	0.60	0.91	1.19	*51.10%
Total	4.30	5.90	5.80	6.30	8.30	10.03	13.22	15.94	20.58%

CAGR^ for the period FY 1999-00 to FY 2006-07

IT services & software values include the value of captive development undertaken by the in-house units of Indian Companies

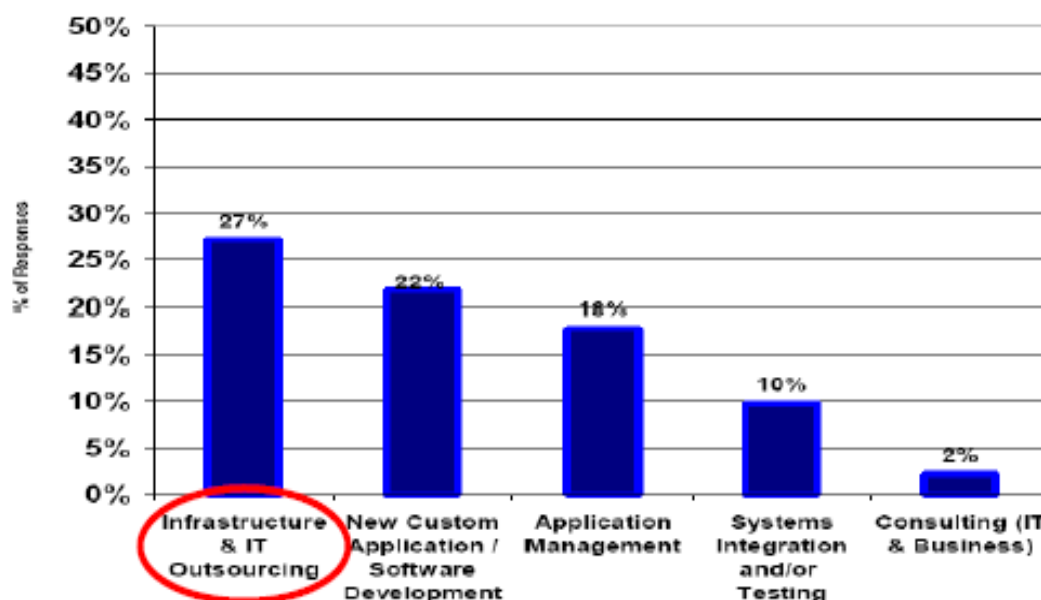
* Calculated over FY 2001-07 only

NA: Not Available

Source: NASSCOM

TECHNOLOGY SERVICES – OUTSOURCING OPPORTUNITY

There has been an increase in the offshore outsourcing of technology services to the Indian companies. The IT outsourcing services that are most likely to be outsourced to a lower unit cost/offshore location like India are infrastructure management services, business continuity planning, software product/application development & management and software testing services.



❑ Infrastructure Management Services (IMS):

Overview

Infrastructure Management Services (IMS) encompass all the services that relate to monitoring, managing and enhancing performance of a client's IT infrastructure backbone. These include helpdesk services, server management, data centre management, network management, asset management, desk-side support, IT security services, maintenance services and applications operations.

Today companies are working hard to reduce the cost of IT infrastructure and so are adapting standardization for application and environment platforms and development languages. As a result of this there has been an increase in the degree of standardization of IT infrastructure and increasing automation in infrastructure management technology has made remote delivery of IMS more streamlined and less complex. Not only has this enabled service providers to deliver higher levels of service quality but also evolve towards more efficient service delivery by leveraging the offshore model. This Offshore IMS is a logical extension of India's offshore-based delivery capability and it represents a sizeable opportunity for Indian vendors.

Market Size and Growth

The global market for Infrastructure Management Services is estimated to be in the range of US\$ 86 bn to US\$ 150 bn.

- Forrester estimates the total infrastructure market to be in vicinity of US\$ 111bn
- According to Gartner, IMS presents a market opportunity of US\$ 150bn. The IT Management market in the US alone is expected to be US\$ 80 bn in 2006.

The IMS segment may be divided into network, systems and storage management. It is estimated that over 60% of an organization's IT budget is allocated to infrastructure management. Typically, 75% of a company's IT spend is for operational or run cost; this includes infrastructure and application management. Infrastructure spend is typically estimated to be around 50% of the entire cost of running a business, including manpower, depreciation, asset maintenance contracts, software and hardware.

The chart below shows the possibilities of off-shoring for various activities:

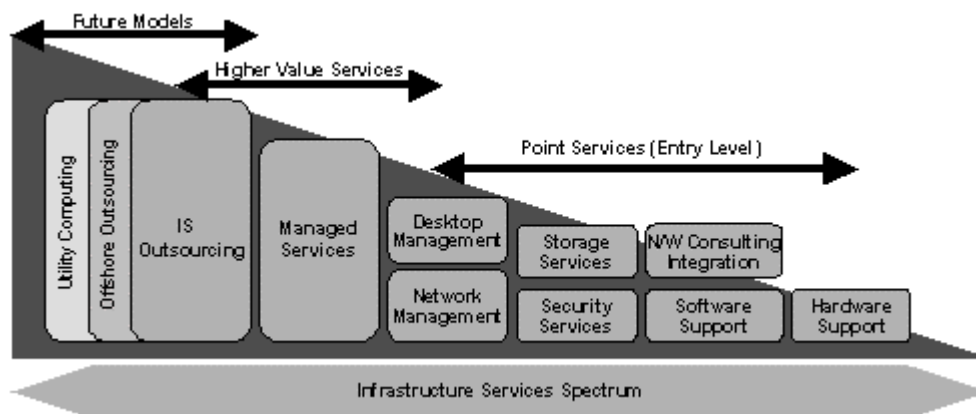
IMS Service	Offshore effort possible (%)
End user computing	65-70
Data center services	80-85
Network and security monitoring	90-95
Application monitoring and fine-tuning	90-100

(Source: ML Research Estimates)

Service Offerings

IMS has evolved from entry-level point services to full-blown managed services and IS outsourcing. Over time the service offerings have expanded, with the service providers also undertaking the investment in the required hardware elements.

The following chart illustrates the range of IMS across different stages.



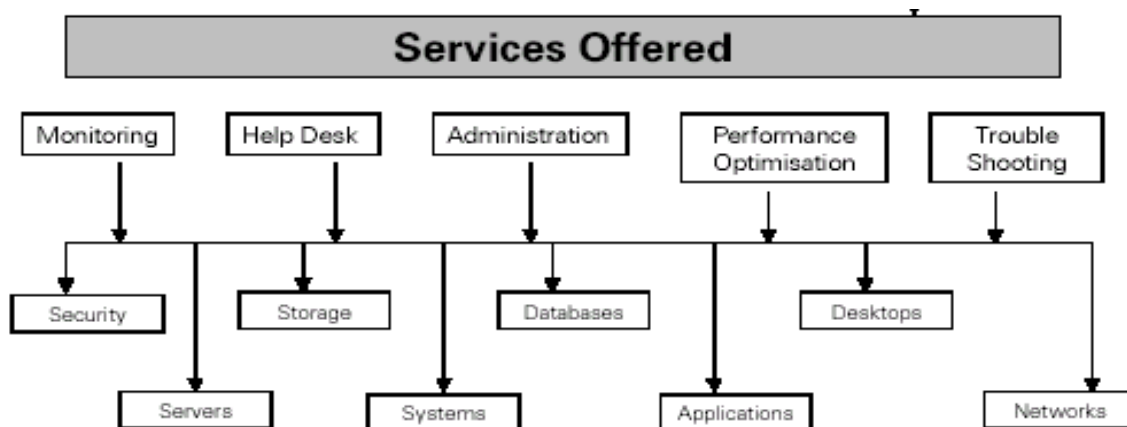
Source: IDC

Remote Infrastructure Management Services

Remote Infrastructure Management Services represent a large and relatively untapped opportunity for off-shore Indian vendors. It has been argued that a firm's IT infrastructure is associated and bundled with the physical assets of the IT department and the data center, and therefore precludes off-shore delivery. It has been observed that 60-70 % of the IT services surrounding the data center, specifically the support functions that manage and maintain the data center, have been successfully executed remotely and hence can be off-shored.

It is estimated that 40-60 % of the overall IMS pie may be efficiently delivered through a global delivery model. This translates to a market potential (for remote infrastructure management) of approximately US\$ 55 billion.

Following services can be offered remotely through Network Operations Center.



Source: Industry data, Gartner, Deutsche Bank AG estimates

Following are the possibilities of outsourcing IMS remotely

Operations Function	Offshore Ability	Comments
Facilities Management	Low	Clearly, the majority of tasks associated with data center administration require a local presence, and the primary off-shore market today, India, is still a relatively high-risk market for such services.
Production Support	Low	Production Support (job scheduling, JCL support, file management, etc) is not easily sent off-shore as it assumes a good knowledge of applications, not just generic technologies. Even tier one outsourcers can only support this by hiring experienced staff from the client.
Server and Storage Administration	Moderate	Remote server and storage administration is technically viable and the tasks are fairly common (standards) across organisations, making off-shore support possible. However, since some administration tasks require physical access, many organisations are reluctant to split responsibilities.
Technical Support	High	Technical support is well suited for remote support, off-shore or otherwise. It requires high skill levels, but standard product areas viz Windows, Unix, z/OS, Oracle, etc. are supportable.
Performance monitoring and capacity planning	High	Well suited to off-shore support, as these tasks, while very important, are not typically real-time. Organisations outsourcing in this area should assume they will have to retain responsibility for forward-looking business growth aspects of capacity planning.
Database administration	High	Very similar characteristics to technical support above- mostly well suited to remote/off-shore support, but crisis management/recoveries can be more difficult.
Network operation	High	By definition, a remote support function and well suited to outsourcing
Helpdesk	High	Technically well suited to remote/off-shore outsourcing for commodity technology and OTS applications.

Source: Forrester Research, Inc.

The potential for remote (off-shore) infrastructure management is further underscored by three factors:

1. Changing attitudes amongst CIOs in favor of selective and off-shore outsourcing of infrastructure management services;
2. All the traditional global vendors for these services are expanding their off-shore capabilities to lower-unit cost locations (most have chosen India);
3. Indian vendors, with their process maturity and off-shore service delivery capabilities, are rapidly breaking into the segment.

Business Continuity Planning Services / Disaster Recovery Services:

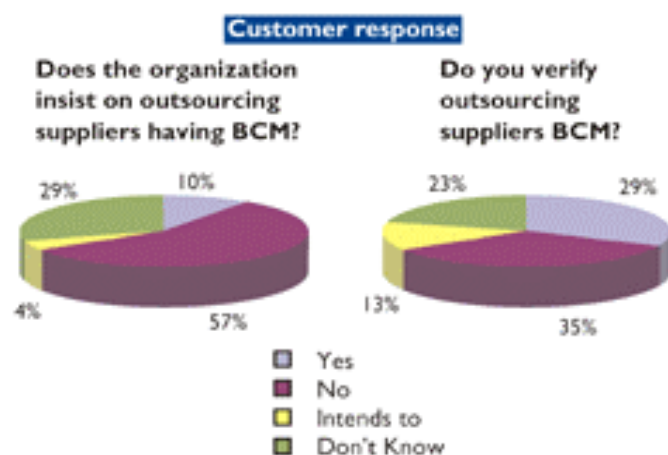
Most of the organisations are making significant investment in developing IT and communication capabilities for smooth functioning of the organisation. Business Continuity Services provide for proactive planning and auditing of this critical IT infrastructure in order to ensure total resilience and reliance against any disaster. Disaster Recovery Services is an integral part of Business Continuity Services.

Disaster recovery services are actions to be taken before, during, and after a disaster. It leads to a development of a comprehensive plan that addresses any type of event that may result in losses due to break down of IT infrastructure or unavailability of data or infrastructure, inaccessibility to the client site. Disaster recovery services range from consulting, to data backup at remote sites, to dedicated alternative offices and equipment, to mobile offices that can roll to a customer's site.

Study on BCP and DRS

A study conducted shows that 72% of the software company clients interviewed, outsource their IT related activities to third-world countries. However, 10% out of the total outsourcers insist that the supplier has a Business Continuity Management Plan.

Almost 36% of the outsourcers would like to see the suppliers Business Continuity Plan and 29% will ask for a Business Continuity Statement. The study also predicts that more and more customers will demand BCM as an offering from the supplier and will see increase in number by more than 100%.



(Source: NASSCOM)

Technical Support and Helpdesk Services

Worldwide Technical Support and Help Desk Outsourcing Spending, 2003-2008 (\$Mn)

	2003	2004	2005	2006	2007	2008	2003-2004 Growth %	2003-2008 CAGR %
Technical Support	11,105	12,010	13,007	14,158	15,489	16,921	8.1	8.8
Help-Desk	3,489	3,879	4,325	4,866	5,474	6,139	11.2	12
Total	14,594	15,889	17,332	19,024	20,963	23,061	8.9	9.6

Technical Support Outsourcing

Technical support outsourcing involves transferring the technical support function from a vendor to an external service provider. The support includes:

- Telephone support
- Maintaining a self-support web site
- Dispatching a service technician
- Escalating calls back to the ISV or OEM
- Acting as the single point of contact

According to IDC, the worldwide market for outsourced technical support services will increase from \$11.10 bn in 2003 to \$16.90 bn in 2008, representing a CAGR of 8.8%.

Help Desk Outsourcing

Help desk outsourcing involves transferring the responsibility for managing and running the help desk function from within an organisation to an external service provider. The help desk is an internal source of support for a company's IT-specific needs. Help desks are responsible for first line hardware and software support for users. In its function, the help desk receives calls from users and is responsible for resolving problems. The outsourced help desk services market is expected to increase at a CAGR of 12%, from \$3.50 bn to \$6.10 bn in 2008.

The worldwide demand for third-party technical support and help desk services is expected to reach \$23 bn in 2008, displaying a CAGR of 9.6%.

Product/ Application Development Services

Off-shore outsourcing has been accepted as a key strategy to stay competitive in the globalised economy and would also assist the production of technology-centered products with global resources and global delivery models.

The global software product market unleashes a multitude of opportunities for the Indian software companies. The Indian software and services industry's strong value propositions such as low development costs, large educated skill pool, mature quality control systems, proven off-shore model and growing domain skill would help India to be in a better position in the product development space.

Indian Product and Technology Services market

Indian IT industry export revenues from the product and technology Services have grown from US\$ 1.21 billion in 2001- 02 to US\$ 1.66 billion in 2002-03 registering a growth of 37.2%. Its share in the total software and services exports has risen from 15.8% in 2001-02 to 17.4% in 2002-03. A NASSCOM-McKinsey 2002 study estimates the product and technology services market in India to grow to US\$ 8-11 billion by 2008.

R&D market

Research and Development (R&D) outsourcing market for information technology in India is estimated to grow from \$1.30 billion in 2003 to \$9.10 billion by 2010, at a CAGR of 32.05%

In today's world there is huge pressure on the Product Development companies to unleash new products in quick time. Therefore companies are realizing that the best option is to outsource it to the specialists. This has led to the emergence of the off-shore product development segment that helps the product development companies to introduce new products and new technologies in new markets in quick time. This would further help companies to cut down development cost and in the process, increase the offshore component.

Software Testing and Performance Management Services

Software testing is the process and tool used to test coded software before it is released to the public. Software testing is a critical component of the software development cycle. Without software testing, consumers would not get stable software releases. Software testing is a process used to help identify the correctness, completeness and quality of developed computer software.

OUR BUSINESS

Overview

The dynamics of today's political, economic and technological environment are driving organisations to focus all energy and resources on their core businesses and outsource the additional/support functions to partner organisations with complimentary strength. At the same time, information technology has become one of the most critical needs to gain and retain cutting edge in the ever- growing competitive environment. This scenario across the globe has forced organisations to devise their business strategies for outsourcing the IT related function to identified partner(s) so that they can focus on their core businesses and IT partner can consistently work with them to provide cutting edge advantage for their core businesses sustenance and growth.

Our Company was incorporated in the year 1990. We are a technology service provider and are dedicated to deliver a wide range of technology services as well as technology-enabled services to our clients. Our portfolio of offerings include a wide range of IT services and products such as business availability services, business continuity services, systems integration solutions, and framework solutions and products. In business availability services, we provide services such as infrastructure management, application management and software testing. In business continuity services, we provide services such as disaster recovery management and disaster recovery consulting and auditing.

Over a period of time, from being a third party service provider and computer assembling company, we have expanded our scope of activities by venturing into IT solutions and Technology services.

Our value proposition as a technology services provider is to work with our clients as value added partners and provide technology services through flexible and unique delivery models. Moreover, our business relationships with global IT companies add to our technical expertise, innovation and services to our clients. By providing technology services, our Company enables organisations to focus on their own core business proposition and derive the competitive business advantage. This is aptly executed to get advantage over competition by utilizing "India Advantage" of having right skills, better communication ability, different time zone and cost effective business model.

We have a large client base across the globe in different industry segments like BFSI (Banking, Financial Services & Insurance), Manufacturing, Utilities, Services, Government bodies, etc. Our clients include amongst others, prominent companies such as HDFC Standard Life Insurance Company Limited, CRISIL Limited WorldSoft Technologies Inc., Ami Impex Co.Ltd. and Emond bvba

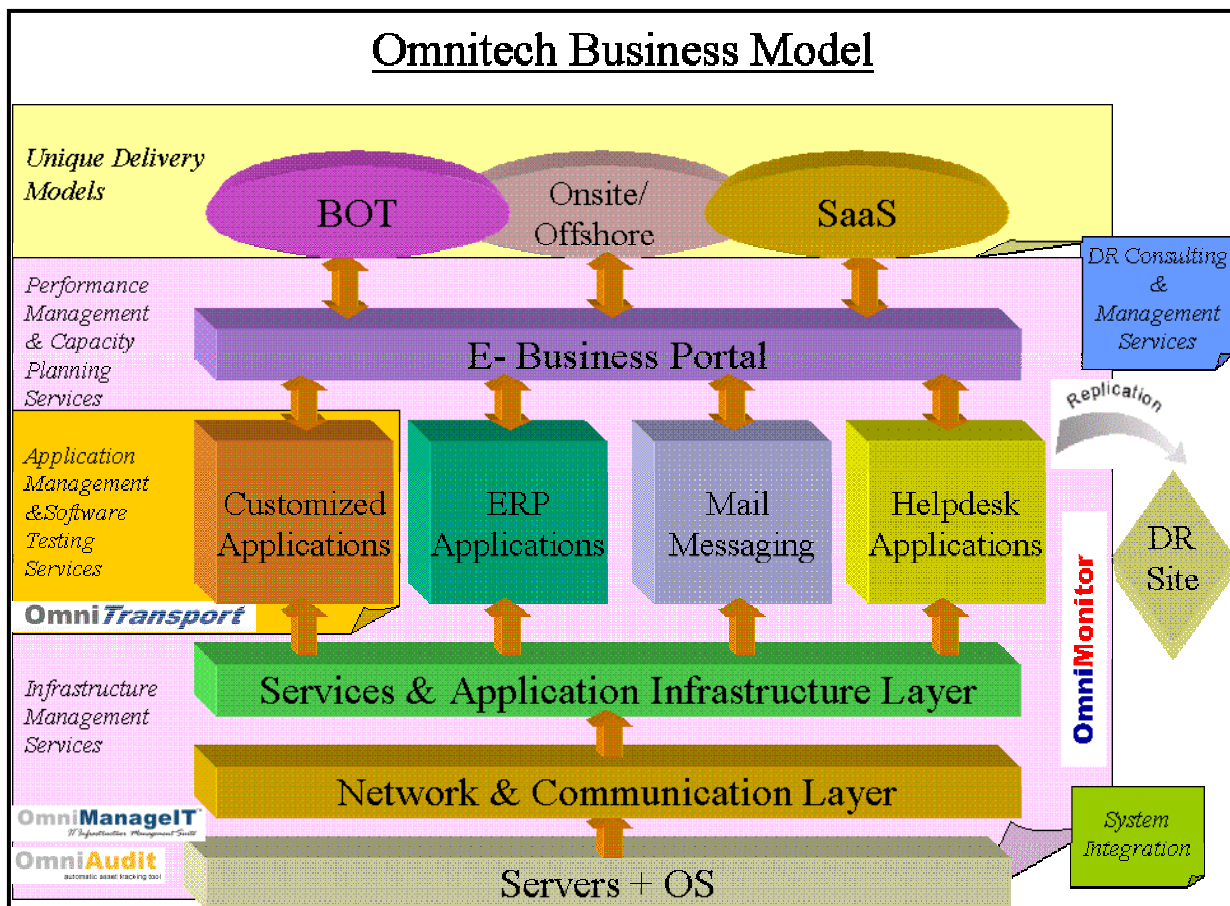
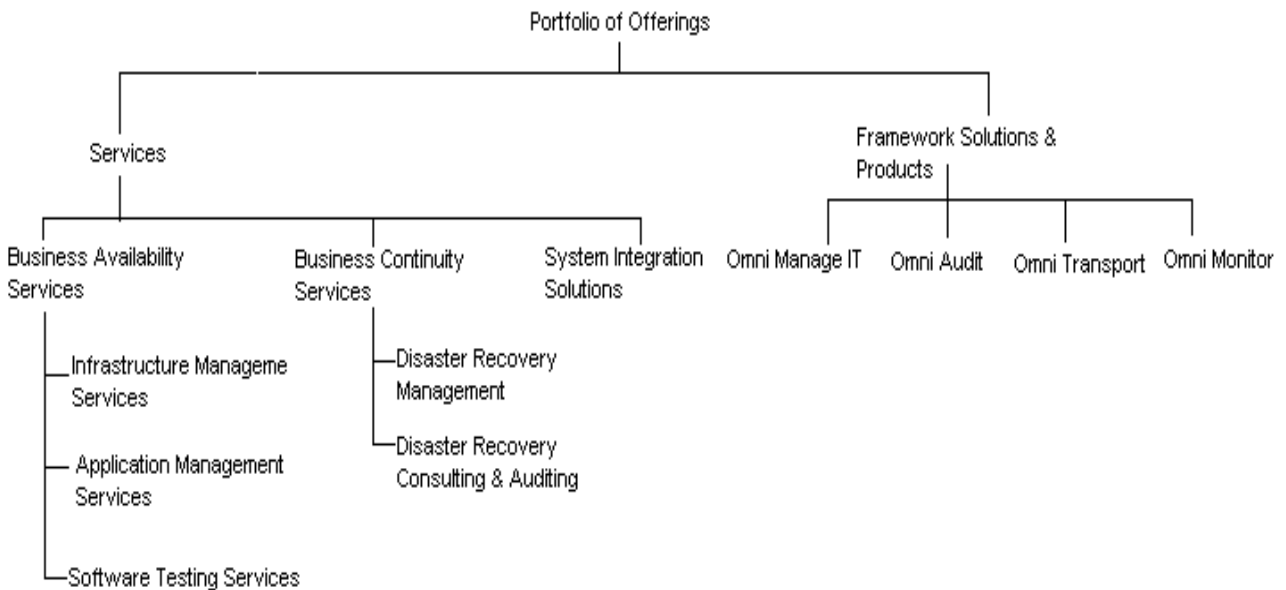
Business Strategy

To achieve the growth, we have defined our strategy with following objectives:

- To enhance offerings (both services and products) to create further niche and expertise;
- To penetrate into new markets such as USA and Canada, UK, Belgium and other European countries, Japan and GCC countries;
- To achieve inorganic growth through strategic acquisitions and investments;
- To expand the client base through the acquisition of new clients;
- To continue investments in R & D for product development and technology deployment;
- To enhance and manage customer relationship for higher repeat orders and referrals;
- To offer services through delivery models such as BOT and SaaS as well as through conventional delivery channels like Onsite, Offshore center, and Hybrid model;
- To strive for continuous improvement in quality standards; and
- To enhance professional and personal growth of every individual person associated with us.

Portfolio of Offerings:

Our offerings can be broadly categorized as:



Our offerings can be broadly categorized as:

- I. Services
- II. Framework Solutions and Products

I. Services

We are in the business of providing a wide range of IT services. Our IT services can be broadly categorized as business availability services, business continuity services and systems integration solutions, etc.

All the above-mentioned services are packaged to suit varied business needs of organisations so that they can outsource these services to us and can focus on their core competencies. We package and provide range of business support and technical services through one product and one delivery channel customized to suit the clients requirements. Besides conventional delivery channels, these services are offered through unique Build- Operate- Transfer and SaaS delivery models. Offshore services are offered through our Technology Center and Navi Mumbai Facility. In our Technology Center we have various facilities such as Network Operations Center, Proof of Concept center, Software development labs, Independent test lab and Data center, etc. Few key outsourced business and technology services provided by us, are categorized as below:

A. Business Availability Services:

IT Infrastructure Management Services

- Technical Support
- Helpdesk Services
- Remote Management Services
- Facilities Management Services
- Technology Migration Services

Application Management Services

- Application Development
- Application Maintenance and Enhancement
- Onsite Consulting

Software Testing Services

- Independent verification and validation
 - Unit Testing
 - Functional Testing
 - Regression Testing
 - Usability Testing
 - Performance Management

We also provide Offshore center services using BOT and SaaS Model

B. Business Continuity Services

- Disaster Recovery Management
- Disaster Recovery Consulting and Auditing

C. System Integration Solutions

- Turnkey Solutions
- Server Consolidation
- Storage Consolidation

A. BUSINESS AVAILABILITY SERVICES

We offer business availability services for various IT requirements of our clients, ranging from infrastructure to application phases. We work as partners with our clients to strategize overall IT infrastructure plan, implementation methodology, change management, application requirement analysis and business continuity planning. Based on business needs, we offer value-added services at different phases of their IT planning and deployment cycle.

Infrastructure Management Services

In recent times IT infrastructure has become a key business enabler for organizational growth. Therefore IT infrastructure is gaining prime importance in the strategic planning of an organization. We offer services to ensure that the IT infrastructure is available at all times and are also specifically designed to meet the needs of an organization for optimal efficiency.

Today, businesses are dependent on IT infrastructure for seamless business operations and transactions. Hence IT infrastructure is expected to be available round the clock. There is no room for a downtime as it leads to reduced productivity, higher costs and lesser revenues. Our IT Infrastructure Management Services offer complete suite of services to ensure higher availability of IT infrastructure to enhance organizational efficiency with lower operational costs.

IMS encompasses all the services that relate to monitoring, managing and enhancing performance of a client's IT infrastructure. IMS services are broadly categorized into following 3 levels:

a. Monitoring

The primary level involves monitoring of client's IT infrastructure and immediately notifying the client in case of any problem in the system through various alert systems. Monitoring is carried out across IT layers that includes computing environment (web servers, application servers, messaging servers and database servers), networking environment, system software environments, mail messaging, database environment, application software and security

b. Availability

Availability services involve managing of end-to-end IT infrastructure. This level of services not only helps in identifying the problem but also enable in resolving the same. Our NOC team experts help the onsite service team in resolving network and system faults. Routine administration and diagnostic activities for network and server applications are carried out remotely from our NOC at scheduled intervals and it involves configuration management, high availability planning, and remedial services.

c. Performance

In addition to monitoring and availability services, our NOC experts provide advisory services on performance building, capacity planning and network optimization. These services are aimed to ensure optimized IT performance to suit our clients business needs and technology changes. These services help in various aspects like capacity planning, change management and trend analysis & reporting.

Our IMS offerings include technical support, helpdesk services, remote management services and facilities management.

- **Technical Support Services**

Technical support is the process of providing assistance for software, systems, and other devices to users who are external to the corporation. The functioning of technical support is such that when a customer makes a call to the technical support center, it is actually answered by a third-party support provider like us. Outsourcing of this technical support involves transferring the technical support function from a vendor to an external service provider like us. We receive calls from users on behalf of the ISV or OEM and are responsible for resolving their problems.

The technical support includes providing one or more of all the below mentioned services:

- Telephone support
- Maintaining a self-support website
- Deputing service technician(s)
- Escalating calls back to the ISV or OEM

To certain clients, we provide all the aforesaid services and therefore act as a single point of contact for them.

- **Help-Desk Services**

Help-Desk is an internal source of support for our client's IT-specific needs. Help-desks are responsible for first line hardware and software support for users. We provide help-desk services where in we receive calls from users and are responsible for resolving their problems.

Help-desk outsourcing involves transferring the responsibility for managing and running the help-desk function from within an organisation to an external service provider, like our Company. Our help-desk services comprises of inquiry management, PC support and server support

Remote Management Services

Our Remote Management Services help in monitoring various layers of IT infrastructure and locating the problem if any. This is done through connectivity to NOC that can complement client's existing in-house support team. This model is cost efficient and helps in proactive monitoring of systems and servers with the help of appropriate tools. Besides industry standard tools, we have our in house developed tools like OmniManageIT, OmniMonitor and OmniAudit. This further helps in reducing downtime and improving productivity. RMS is delivered through technology enabled NOC at our Technology Center, by our team possessing suitable skills.

Facilities Management Services

Facilities management services are outsourced integrated services that take care of various IT functions of any organisation by providing higher productivity with lower total cost of operations. It involves residing of our team at our client's place to manage their IT functions. We offer facilities management services to various industry vertical segments. We believe that these services are effective to support critical business functions proactively and efficiently. We have an FMS process backed by ISO quality processes. Our service leadership is well acknowledged by global IT companies, by virtue of which we enjoy a status of authorized service provider with some of them

Our services are divided into three main categories as Serve, Manage and Control as follows :

SERVE	MANAGE	CONTROL
Hardware support	Network Management	Virus Control
Software support	Server Management	Data center control
Help-desk	Asset Management	Proactive control
Pre / Post installation	Vendor Management	
Mail services		
Preventive services		

Technology Migration Services

Rapid technological innovation has led to newer challenges for organisations to keep up with the new state-of-art technologies. Today many organizations are striving to migrate their applications from legacy platforms to new platforms, to get the best out of these existing applications as well as gain specific advantages of new technology platforms.

Our technology migration services encompass various layers viz. computing environment, connectivity links, operating system, data base management systems, and development & deployment platforms. Our Company has a specific advantage due to its relationships with global IT companies. This helps our clients to get faster access to new technology innovation and faster turnaround time on technology related issues.

Application Management Services

We provide application management services catering to specific customer application development, deployment, maintenance, migration and consulting needs. For this, we have adapted standardized methodology for Software Development Life Cycle.

Our service offerings for application management are categorized in following four major deliverables:

- Application Development Services
- Application Maintenance and Enhancement Services
- Onsite Consulting Services

Application Development Services

As a part of our application management services, we work in close co-ordination with our clients to understand their technological needs and functional processes for providing custom application development services. Our relationship with global IT companies enables us to provide innovative and latest technology based development and deployment platforms. With experience in delivering successful custom development projects, we have developed an iterative SDLC methodology, which helps us in modular delivery to end users and incorporate feedbacks / suggestions and also can provide better predictability in terms of quality, cost, schedule and feature coverage. This methodology has been mapped to our ISO certification and is supported with leading technology tools like Rational product suite, Mercury testing tools, Microsoft Project manager and in house developed assignment tracking tool.

We have also invested in developing frameworks for specific solutions, which can be leveraged by our clients for quicker deployment. These frameworks provide many of the standard features for specific solutions, which can be further enhanced / customized for rapid development and delivery of applications.

Application Maintenance and Enhancement Services

We believe that leading organizations have invested in IT applications over a period of several years to gain and retain the cutting edge advantage. It is critical for these organisations to maintain and enhance these applications in accordance with evolving business and technological environment. Therefore, these organizations look for trusted IT partners to get optimum benefits out of these applications. We take responsibility of managing third party applications and provide maintenance and enhancement services. In addition to providing basic support for maintenance for the application, we as an IT partner work closely with our clients to overcome problems and limitations in using these applications.

Onsite Consulting Services

Some of the organizations, having multiple initiatives for in-house management of applications, demand specialised skilled resources for specific phases of application life cycle, as and when needed. Through our consulting services division, we are able to cater to their demands by providing on-site consultants with specialised skill sets ranging from development, testing, project management and functional skills on diversified technology platforms.

Software Testing Services

Software testing is a critical component of the software development cycle. Software testing is a process used to help identify and ensure the correctness, completeness and quality of developed computer software. We have an independent software test lab for carrying out testing services for our clients. We possess the adequate resources and are equipped to execute assignments on software testing.

In August 2006, we have acquired “EdVenture Systems Inc”, engaged in the business of software testing services. Consequently “ESI” has become software-testing division of our Company being headed by erstwhile managing partner of “ESI” Mr. Anurag Shah, who is now the CEO of our software testing division. The acquisition of its existing clientele and skilled manpower helps to strengthen the base of our software testing division and scale up our operations in software testing services. For further details please refer to chapter titled “History And Other Corporate Matters” beginning of page 102 of the Red Herring Prospectus.

Software testing services offered by our Company include:

Independent Verification & Validation Services

Software testing services encompass the entire process of software development, including monitoring and improving the process, maintaining and implementing pre-set standards and procedures and effective handling of problem areas. Software testing thus forms a significant part of quality assurance in the software development process. Software testing involves the operation of a system or application under normal as well as abnormal conditions and evaluating the results.

Our independent test lab services fulfill the role of a support partner to software developers, who can then concentrate on their core strength viz. development. Independent Verification and Validation (IV&V) processes determine whether development products of a given activity conform to the requirements of that activity and whether the software satisfies its intended use and user needs as described. IV&V processes help to assess the software in the context of the system, including the operational environment, hardware, interfacing software, operators, and users.

Testing services offered:

1. Unit Testing - In Unit testing, coding and testing go on simultaneously. Unit testing is based on knowledge of the internal logic of an application's code. Tests are based on coverage of code statements, branches, paths, and conditions. Ideally, test cases are prepared before the code is written. Unit testing helps to focus on the programming, yielding better code.

2. Functional Testing - Functional testing is conducted to evaluate the compliance of a system or component with specified functional requirements and corresponding results. Functional testing focuses on the outputs generated in response to selected inputs and execution conditions. Through functional testing, one checks the program against every claim made in a reference document, such as a design specification, a requirements list, (and for UATs, a user interface description, a published model, or a user manual). This involves testing of the product's user interface, APIs, database management, installation, networking, etc.

3. Regression Testing- Regression test allows a consistent, repeatable validation of each new release of an application. Regression testing is performed to ensure whether past reported defects have been corrected for each new release and to also confirm that no new bugs were inadvertently introduced in the modified code. Also, this type of testing is done to ensure that no degradation of baseline functionality has occurred.

4. Usability Testing – It is focused on human factors, aesthetics, user interface consistency, online and context sensitive help, wizards and agents, user documentation and training materials. This is testing for 'user friendliness'. A usability test gauges operability of an application. It ensures ease, simplicity and comfort of use of the software. Such tests facilitate identification of areas of an application, which if presented in a different way, would assist users to operate the application more effectively and with ease.

5. Performance Testing - It is testing an application to check whether it sustains itself under various loads with regard to concurrent usage, database performance and response to queries, speed, heavy data input, etc. Performance testing is with the intent of determining how quickly a product or an application handles variety of events. Performance testing comprises of testing applications on various parameters, executed through reliability testing and supportability testing.

We follow the testing methodologies focusing on test strategy, test planning, test designing, etc. Our testing team lays lot of emphasis on Test Effort Estimation (TEE) which determines the time required for test efforts and Test Result Analysis (TRA) which not only enables us to generate test defects and reports, but also execute a detailed analysis of reports, which helps in defect identification and also defect resolution.

Off-shore Center Services using BOT Model

There has been an initiative for outsourcing from the customers who are more mature and aware of these services. Outsourcing offers cost efficiency. However, scalability of center, dependability on third parties, long-term controls and initiatives are some of the challenges for organisations looking out for outsourcing services. We offer outsourcing services along with ownership and controls of offshore center.

After realizing the benefits of outsourcing, many organizations have started implementing outsourcing model. Some of these organizations have envisaged the need of having India-based subsidiary for offshore services. At the same time, these organizations face multiple challenges to start operations in new territories like India.

We offer various services to help customers to meet these business requirements and mitigate the risks and challenges involved. As part of BOT services, we as offshore partners, build necessary infrastructure, resources, quality processes, knowledge base, project planning and execution methodology etc. based on customer's long-term norms. We operate this set-up for agreed time frame and scaling from smaller team to larger team based on business requirements. The customer has flexibility to take over the complete running set-up as per pre-agreed time frame or business size. Service deliveries through this model are based on internationally accepted ITIL standards and BS15000 standards.

BOT model helps organisations to start their operations within a short span of time. They also enjoy all the benefits of an established company, including the brand equity of the service provider, like us, and also leverage all the best practices. This model becomes very meaningful for organizations intending to set up India operations and would like to check out actual feasibility before investing in full-fledged manner.

We deploy this model for our customers and in our experience organisations are preferring this model to conventional offshore model based on project-to-project basis. We shall continue with the BOT model by value adds and coverage of various services from sales & pre-sales, to technical support to business administration to business process outsourcing services.

Currently we are focusing BOT model for services such as business support services, contact center, technical support center – helpdesk, software development lab and test lab.

B. BUSINESS CONTINUITY SERVICES

Since IT has become key enabler for business, more and more organisations are dependent on its seamless availability. We provide proactive planning and auditing services for critical IT infrastructure in order to ensure total resilience and reliance against any disaster. Disaster Recovery Service is an integral part of Business Continuity Services.

Disaster Recovery Management

Disaster Recovery Services

In a business context IT infrastructure disaster refers to any unplanned interruption of normal business process resulting from the disruption of the IT infrastructure components such as information systems, networks, hardware and software components, or data itself.

Disasters pertaining to an organization can be classified as:

Technical	People	Economic	Social
IT system failure	Human error	Natural calamities	Strikes
Power outage	Accident	Political unrest	Terrorism
No proper backup	Theft of secrets	Viruses	

The organisation faces tangible losses such as technological and data loss and intangible losses such as productivity and reputation loss.

The above shows the importance of proper disaster recovery planning in today's business world. In order to keep continuing business activities, our Company provides disaster recovery services to our clients to reduce unscheduled downtime, strengthen quality assurance programs, enhance data integrity, and offer total assurances on business continuance.

We provide seamless disaster recovery and management services across data, equipments, site and people as follows;

➤ Data Vaulting Services:

We provide data vaulting services to help our clients to meet the disaster recovery / business continuity challenges for their valuable data. We relocate all critical data in form of tapes, disks and documents to alternate location safely. We store the tapes and disks in a temperature and humidity controlled environment for their protection.

➤ Infrastructure Fail-Over Services:

In today's environment, a reliable and always available IT infrastructure is very important for businesses. Office space can become unavailable due to unforeseen external forces like earthquake, fire, or gas leakages that cause buildings to be evacuated, power to be shut down and data centers to become temporarily useless, leading to an infrastructure breakdown. Our infrastructure fail-over services offer total solution for such type of disasters by providing an alternate infrastructure/site for our clients to continue their business.

We provide following services to our clients in case there is an infrastructure failure:

- Reserve the critical executive operational office space to run business
- Availability of equivalent IT set-up within stipulated period
- Data currency up to the last transaction before disaster struck
- Continuity of all defined critical business processes

Disaster Recovery Consulting and Auditing

Disaster Recovery Consulting is an integral part of Business Continuity Services. APDIMA methodology is followed for DR consulting and auditing. In the first stage we conduct disaster recovery assessment wherein we analyze the current IT processes and policies of the client. We identify critical business function and prepare a Gap Analysis that will help us in identifying areas for improvement in the current processes. In the next stage we quantify the risk through Business Impact Analysis. We also do an assessment of Recovery Time objective (RTO). Further disaster recovery plan is prepared taking into consideration industry-standard best practices and its implementation takes place with its deployment and documentation. In the final stage, audit is conducted periodically with the help of simulation and acid test.

System Integration Solutions

We provide systems integration solutions by integrating all or few IT inputs comprising of computing devices, networking devices, operating system software and middleware software, etc. along-with other peripherals for building blocks across various technologies and platforms to achieve specific business objectives. We provide various solutions such as turnkey project execution, server consolidation, storage consolidation and branch automation.

❑ Turnkey Solutions

We provide end-to-end turnkey solution to our clients based on their specific business needs. In turnkey solutions, we provide various services starting from assessment of business requirements to planning and designing to implementation to management of IT Infrastructure & its applications. Apart from this, we also offer value added services like business support services for project execution through our regular delivery channels or BOT and/or SaaS delivery model.

We help in automating various processes and activities taking into consideration various aspects such as:

- Designing the IT architecture with adequate redundancies
- Establishing and maintaining required components to implement and operate, :
 - Data Center
 - IT Hardware
 - Networking Components
 - System Software
 - Databases
- Developing and maintaining interactive website
- Managing transition including understanding of operations, data migration, training the employees etc.
- Setting helpdesk(s) for resolving queries
- Carrying out application software maintenance / modification / development over the period of contract

❑ Server Consolidation

Organizations invest in servers and appropriate software to carry out the needs of meeting up business challenges and in turn add up multiple servers, multiple RDBMS and operating system. We provide server consolidation solutions to such organisations for optimising their existing investment for future expansion plans.

❑ **Storage Consolidation**

Businesses spread across geographies and evolving changing dynamics of business have made it essential for businesses to perform 24x7 across geographies. We offer solutions that are based on high-density data storage solutions. The solution involves high-end data storage systems, which include on line back up, off line back up, SAN (Storage Area Network) and NAS (Network Area Storage). We provide migration path from legacy to the latest technology with the help of skilled and trained executives. We offer our clients scalable data storage solutions which supports hybrid connectivity and heterogeneous platform.

Service Delivery Models

We offer our services using the following delivery models:

❑ **Onsite Model**

For project-specific needs, we depute our team for project management and service delivery at client's site for technology services such as infrastructure management, application management or performance management services. Our team works seamlessly with client's team to get the desired output and performance.

❑ **Off-shore Model**

In the offshore model our team works from our offshore development centre/test lab. They act as an extension of the onsite project team and are responsible for System design and analysis along with coding. They also look after test case designing and execution along with monitoring and review.

❑ **Hybrid Model**

In the hybrid model, based on the requirements of our customers, one set of our team is deputed at the customer location and another set at our development center. This model offers seamless interaction and project execution between customer team and our development center through onsite team. This model offers optimum productivity and better performance against price

❑ **Build-Operate-Transfer Model**

Our BOT model helps organisations to start their operations in a short span of time. Service deliveries through this model are based on internationally accepted ITIL standards and BS15000 standards. This model is beneficial for our clients as this allows our clients to achieve the desired results in desired time with flexibility of ownership at later date. For us, we continue to work closely with client for a pre-defined period and focus better on execution and customer relationship with clear visibility of scalability of operations and time period.

BOT services are specifically designed and made exclusively for the customer with options of :

- Build and Handover
- Build and Operate
- Build, Operate and Transfer

This model becomes very meaningful for organisations wanting to set up India operations and would like to check out actual feasibility before investing in full-fledged manner. It enables organisations to start enjoying benefits of an established center in a short gestation time and leveraging all the best and proven practices and processes for their competitive business advantage.

❑ SaaS Model

SaaS is a delivery model better known as Software-As-A-Service. SaaS model is similar to other delivery models like hosted services, ASP services, utility computing, or software on demand, with only difference that instead of buying and installing expensive packaged enterprise applications, users can simply access applications over a network with an internet browser.

In traditional business models, for developing any application; customers are required to spend money not only in services but also for buying licenses for the software used in developing the applications. The requirement of substantial upfront investment not commensurate with immediate returns discourages these small and medium size companies from developing such applications. Therefore the SaaS model is best suited for small and medium enterprises. No software and hardware is required to be brought since the application is used over the internet and is paid for through a subscription or supported by a third party, such as an advertiser.

Along with web-based delivery, SaaS also offers combination of various delivery channels (web & others) as a subscription thus making it flexible and cost effective, aiming at providing customers with complete solution approach compared to component-based approach.

SaaS model is suited for software testing as it provides an ideal solution to development teams & enterprise customers. It is essentially a combination of skilled resources with the right tool offered as a service to the customer for the period of the project on a subscription basis. This helps customers to not only invest but also optimize the usage of the testing tools & services.

Framework Solutions And Products

We have invested in developing frameworks for specific solutions, which can be leveraged by customers. These frameworks provide many of the standard features for specific solutions, which can be enhanced / customized for rapid development and delivery of applications. We continue to invest in such innovative products and create IP for competitive edge in areas of our operations. We continuously invest in R&D, working on technological products to suit growing as well as ever changing business needs of organisations. Our ready framework solutions and products are as follow:

Framework Solutions and Products:

1. Omni Manage IT™
2. Omni Audit
3. Omni Transport
4. Omni Monitor.

Omni Manage IT™ – An It Infrastructure Management Suit

In today's world the success of any business depends on the speed at which the organisation can empower their employees, transact with suppliers and reach clients. Internet applications help enterprises to get competitive advantage and better profitability. It is therefore important for an organizations IT manager to meet the increasing IT demands of business managers with lesser complexity and lower budget and this could be achieved by deploying the latest technologies. However organisations are finding it difficult in managing and supporting complex IT infrastructures consisting of multiple hardware platforms, applications, operating systems and networking components

We understand the challenges faced by organisations and help them address it by OmniManageIT™, a software that we believe is a comprehensive and effective way of managing IT infrastructure. Our software OmniManageIT™ helps organisations in lowering their IT spending and provides greater productivity and flexibility across the enterprise to ensure growth. It gives up-to-date performance reports, budgeting metrics, asset tracking, contract summaries and other types of IT information that turn up across all departments, products and geographies.

Through OmniManageIT™ our clients gain control over various functions in 3 broad categories as follows:

- a. IT Infrastructure Services
- b. IT Process Management Services
- c. IT Info Management Services

a. IT Infrastructure Services

This product helps in effectively managing the IT infrastructure with higher availability and lower cost of ownership. The automation tools offered are:

- I. Helpdesk / Call Management
- II. Asset Management
- III. IT Budget Management

b. IT Process Management Services

This product helps in managing IT processes and policies within and across extended enterprise. The areas of operations covered are:

- I. Purchase Management
- II. Contract Management
- III. Activities Management
- IV. Software License Management

c. IT Info Management Services

This product helps in managing vital information and share resources. The keys services offered are:

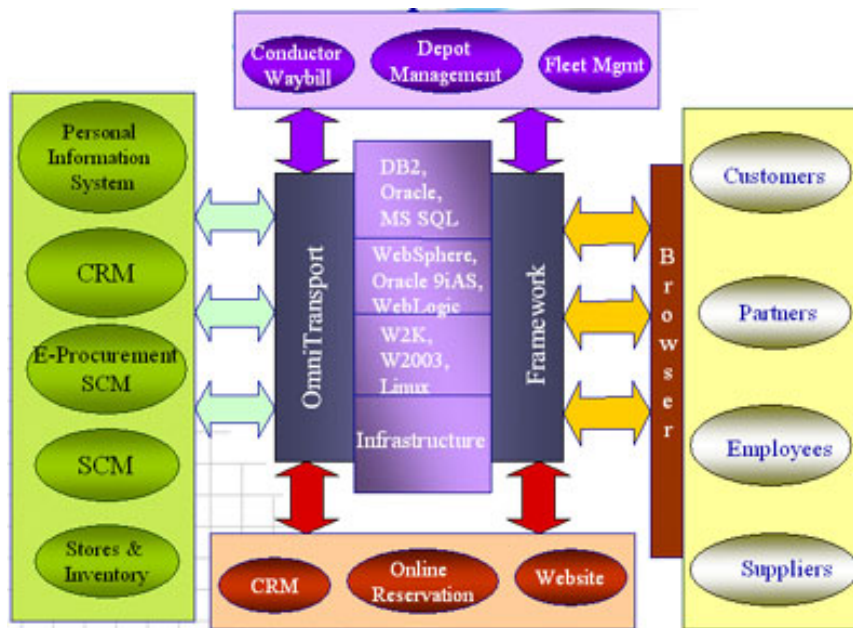
- I. Resource Management
- II. Training Management
- III. Knowledge Management

2. OmniAudit – An Asset Tracking Tool

OmniAudit is developed as the result of product research and technical analysis conducted by our business and technical domain experts over number of years. OmniAudit, as a tool, is easy to implement and simple to use for tracking and managing IT assets. It helps in maintaining and tracking assets component-wise and saves time and prevents the user to take the stock of assets physically on each system. It also helps in avoiding human errors and keeping right control over assets at all times, ensuring optimum utilization of assets. It extracts system information of each asset on clients network and automatically updates inventory of all assets online without interfering the users. It also does auto notifications for change in asset configuration. As this tool works on “Pull” method, there is no need to install any client side components, which we believe helps in saving time and money, leading to lower total cost of ownership due to reduction in IT support cost and staff cost.

3. OmniTransport - Business Process Automation For Transport Organisations

It is an end-to-end solution for transport organisations right from consulting to feasibility study to application development to system integration to maintenance and management of infrastructure and application. It is a modular and scalable framework specifically designed and developed by our Company for state/municipal road transport organisations. The framework solution covers automation of various back-office administrative activities and processes of depots, divisions, workshops and central offices of road transport organisations. It also enables the organizations to generate customised MIS reports, eliminating duplication of work, better administration, etc.



4. OmniMonitor – An IT Infrastructure & Application Monitoring Appliance

OmniMonitor, an appliance to monitor IT-related infrastructure was developed as a result of product research and technical analysis conducted by our business and technical domain experts. It is a plug-and-play device, easy to implement and simple to use for monitoring IT Infrastructure with applications. OmniMonitor helps in self-monitoring over 100 plus monitors across computing, network, system, database and application layers. OmniMonitor can monitor all the units from one place provided all units are under the same network.

OmniMonitor powered by site-scope is a stand-alone appliance with a non-intrusive “agent less” architecture that continuously monitors the real time performance of a company’s business-critical distributed systems. OmniMonitor’s proactive alert notifications through voice, mail and SMS enables administrators to avoid availability and performance crisis without significant overhead and maintenance costs of agent-based management software. It helps in IT planning and better decision-making process.



SALES AND MARKETING

A comprehensive sales and marketing plan has been worked out for our products and services to tap the upcoming opportunity in industry verticals such as BFSI, manufacturing, and service sector, etc. We would like to continue to grow with the help of direct as well indirect sales channels.

We have a suitably qualified and experienced sales, presales and a marketing team aligned for domain and technology specific streams. Sales and presales team work closely to offer best techno-commercial solutions to customers to win the deals. We believe that customers always buy utilities of the products and not mere products and hence it is important to propose solutions best suited to their business needs. This is achieved through APDIMA methodology and best global practices. Our Business Development Managers drive the business development through their sales and presales team and are responsible to generate new business and achieve desired sales targets. Our key customer accounts are managed by dedicated Major Accounts Managers and we have Customer Relationship Executives who act as a single point of contact for customers for their various needs right from proposals to after sales support functions.

Indirect sales are achieved through referrals in domestic as well as international market space like USA, UK, Belgium, GCC and Asian Countries. We work cordially with our business partners. Our Associate Vice President – International is responsible for expansion of global partner network as well as managing the relationship with existing set of partners. Periodical reviews with team members and business partners help in monitoring the performance of sales persons or partners and also help in achieving the desired target numbers.

Our global marketing program is designed each year with an objective of creating better brand image, spreading geographical reach for our offerings and enabling sales team through lead generation program. We participate and/or sponsor many events such as road shows, seminars and exhibitions to derive a better mileage either for a launch of products/services or for increasing the sales of existing products/services. Regular direct mailers, advertisements, press releases, editorials are effectively utilised from higher awareness and better mileage perspective. Besides conventional marketing streams, we also make use of electronic channel like e-news letter, cross banners, promotions through web site, e-mailers and so on.

As a part of our global marketing programme we have formed companies in the name and style of Omni Gulf Technologies WLL, and DRC Gulf, WLL, under Laws of Bahrain, for proposed business operations of the Company in Bahrain and other Middle East countries

We work closely with global IT companies such as Borland Software India Private Ltd. and Tandberg Data (Asia) Pte Ltd, for joint sales and marketing initiatives. At times, exclusive techno-commercial offers are worked out to target specific geography or vertical industry. We also participate in their global marketing programmes to expand our horizons.

While traditional stream of businesses and practices continue to grow, we offer our India off-shore center services through BOT model to global customers quite differently. Here we propose to work with our customers as partners and not as vendors. In this model, the long-term strategy is taken into consideration, which results into scalable long-term contract with customers.

We offer our products and services to various industry verticals to suit their specific needs. These industry verticals are:

- Banking Financial Services and Insurance (BFSI);
- Manufacturing – Engineering products, Pharmaceutical and Chemical companies,
- Government – Public Sector Undertakings, State and Central Government bodies,
- Utilities – Electricity, Airlines and so on,

COMPETITION

The market for IT services is rapidly evolving. We face competition from new entrants as well as existing established domestic and foreign companies in India. We expect further competition from off-shore service providers in other countries with lower wage costs such as China, Philippines and Eastern Europe. A number of foreign IT services providers are setting up operations in India and existing players are ramping up their facilities. This has resulted in rising salaries and higher attrition rate. There is a lot of competition in recruiting and retaining industry domain experts who play major role in developing software.

Our Competitive Strengths:

Established Client Relationships- Over the last 15 years, we have established broad based client relationships across the industry segments which can be leveraged to offer our existing as well as future offerings. Further, these relationships will help us in acquiring new clients to grow our business.

End User Experience – We provide complete end-to-end business availability and business continuity services to our customers for enhancing end user experience. We provide business availability services by proactive management of IT infrastructure as well as application management to make IT set up available for the business at all times. Our performance management services further ensure that IT set up is available optimally. We offer business continuity services at all four levels viz., data, equipment, site and people.

Innovative IP based products and services – Our indigenously designed products and tools enable us to provide value for money and get advantage on commercials by saving on license costs to third parties.

Flexible Delivery Models – We have adaptive delivery models to suit our customer's specific needs. Our BOT and SaaS delivery models enable customers to derive the business benefits rapidly with minimal risks and investments. At the same time these delivery models allow our clients to get off-shore center operational much quicker, to get competitive business advantage and focus into their core business activities.

Our Facility at our Technology Center- Our facility at our Technology Center has NOC, Data Center, PoC center, technology labs that are fully operational and offer an ideal platform for delivery of technology services. Being situated in Andheri, Mumbai, it has a great strategic advantage too in terms of availability of skills and proximity to international airport among other factors.

Technology Driven and Focused Management – Our Promoters are technocrats having individual experience of over 20 years in IT industry. Our continued investments into technology space and on-going upgradation of technological skills blended with personal attention help us to design and offer technically suitable solutions to our customers.

Close relationship with global IT companies– Our close business relationship with global IT companies enable us to adapt innovative technology and acquire the technical expertise to offer techno-commercially viable and optimized solutions to our customers. Such relationships also help us to understand the technology roadmap to adequately equip ourselves for formulating future strategies.

India Advantage – We bring value to our global customers by utilizing “India Advantage” of having right skills, better communication ability, different time zones and a cost-effective execution and operation model.

Technical Skills- Technical Skills involve in-depth knowledge of respective technologies. Due to adequate educational background and experience we believe that our employees possess these capabilities and have executed projects on various platforms. To keep our employees abreast of technologies we conduct various training programs from time to time.

Strategic Benefits through ESI acquisition- By acquiring the business of ESI we have increased our presence in the software testing business and can leverage the existing relationships of ESI clients by offering our other products/services to them.

AWARDS AND RECOGNITION:

Our global IT partners have honored us with awards and recognitions. These awards and recognitions are for providing excellent services and maintaining higher level of customer satisfaction. Some of these recognitions are:

1. Award for excellence in productivity, quality, innovation and management, in the year 1995, by Institute of Economic Studies, New Delhi
2. Award for Outstanding contribution for the year 1997 from Intel Electronics Asia, Inc.
3. Highest Customer Satisfaction Award from IBM in the year 2000
4. Most Responsive Partner from IBM in the year 2001
5. Competitive Win Back Partner – IBM
6. Fastest Growing Partner from VERITAS Software Solutions Private Limited -2002
7. Best Commercial Business Partner for West - Tier-II-2002
8. Best Managed Service Setup Award from HP-2002
9. Best ESG Partner (Western Region) from IBM – 2002
10. Outstanding Performance for HP Contract Business 2005
11. Award for excellent sales performance in the year 2005 from Tandberg Data

HUMAN RESOURCES

Employees are a key to the success of any business. As on May 31, 2007, our total HR strength of 530, comprises of 224 permanent employees and 306 IT professionals employed on a contractual basis. We focus on attracting and retaining the best talent in the industry.

HR Policy

We believe that developing the potential of each employee is in the interest of the employee and our Company as a whole. In view of this we have laid down a comprehensive set of policies aiming at attracting, retaining and motivating employees. This has been achieved through conscious exercise of:

- Providing challenging work content
- Continuous up-gradation of knowledge and skill
- Providing counseling and coaching to get best out of them
- Establishing conducive work environment
- Promoting freedom to innovate and experiment
- Facilitating hard work with efficient processes and tools
- Respecting professional and personal priorities
- Deployment of employees in accordance with skill sets

Recruitment

Over a period, we have designed recruitment processes suitable to our organisation. Our recruitment largely depends upon manpower budget on the basis of annual business plan. Our recruitment process starts with conducting aptitude test followed by group discussion, technical interview and finally HR interview. Our objective is to build and maintain an organisation of competent people, with fair compensation and benefits. We recruit people through campus interviews, career fairs, job portals, recruitment agencies, and also through our employee referrals on the basis of technical knowledge and skills.

Training

We operate in a dynamic industry where change is only constant. In view of this, we believe our employees should be updated on technical knowledge and skills. Therefore we provide regular training to our employees right from induction program till the time he continues with our organisation. During the induction training, our employees are familiarised with the operational aspects. Further in the course of employment they go through continuous training that enables them to enhance their skills and capabilities.

Our training programs also include need-based as well as personnel development training. These training programs are conducted throughout the year. The global IT companies with whom we are working as business partners also provide technical and product training to our employees to provide complete understanding of their products.

Following are the training programmes offered to our employees

1. Mentoring

The target audiences for this training were all those Mid level Employees of our company who are leading a team. The objective of this training was to make aware how effectively the participants can handle the team and achieve more productivity. Also this will ensure a team building attitude amongst employees..

2. ISO 9001:2000 Internal Auditor Training

The target audiences for this training are the future Internal Auditors at Omnitech who shall be auditing various departments as per the ISO 9001:2000 guidelines. The objective for the training was to make employee trained and certified for taking Internal Audits for ISO 9001:2000. This training not only helped the organization but also ensured that employee understands the ISO 9001:2000 requirements in a much better way and can check the compliance.

3. CITRIX:

The target audiences for this training were Field Engineers of our company. The objective of this training was to prepare a next line engineers who can take incidents/problems related to CITRIX technology at their level and resolve the problem in the least time to ensure customer satisfaction. This training was a mix of hands on experience and theory. A test was conducted at the end of the training session to ensure the skills being acquired / upgraded by an engineer.

Compensation and Performance Management

Executive

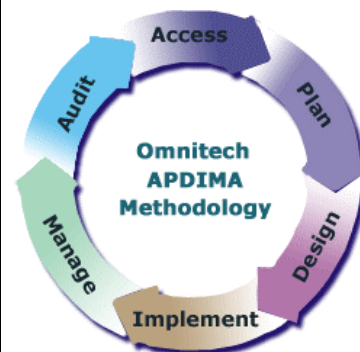
Our compensation policy is performance-based and we have yearly appraisals by the respective department heads and HR head. As a measure of boosting employee motivation, we have introduced a star hunt program from the year 2005, where a particular employee is adjudged as a star performer of the year on the basis of laid down parameters.

QUALITY INITIATIVES

We recognise quality as an important differentiator in our industry. Therefore, we have well defined stringent quality standards with customer focus and management commitment and involvement across hierarchies. We received our first ISO 9002 certification in the year 2000, which was upgraded to ISO 9001:2000 in 2004. Our quality management system encompasses all the stages of a project and all the divisions and labs.

APDIMA Methodology:

We follow APDIMA Methodology for our business. It has evolved by constant interaction with clients while delivering cutting edge solutions. This methodology is open, flexible and works on the premises of multiple iterations. This methodology enables continuous interaction with our valued client's, right from conceptual analysis to planning, solution designing, implementation, post-implementation management and regular audits of investment protection and ROI. The model enables constant feedback, improvement and faster implementation in a modular framework



Software Development Methodology : This approach and methodology is derived from numbers of years experience in Software Development Life Cycle and various projects executed by us till date. It is further mapped with ISO processes for compliance and continual improvement. This is further enhanced with the help of RUP practices defined by Rational Software Inc. All software projects at Omnitech are designed developed and implemented using end-to-end Rational tools.

The different phases of SDLC are:

Inception Phase:

In the inception phase we try to get brief idea about the project, its size and the cost involved. Our experts interact with the client to find out business objectives, goals for the software application and its screen layouts. Feasibility study is also done during this stage. After studying the requirements and discussions with clients, our technical experts suggest the best options available to them.

Elaboration Phase:

In this phase, data collection and in-depth study of requirements is carried out. High-level analysis & design is completed during this phase. Based on architecture and technology, the development team drafts a development plan for project with cost and time estimates

Iterative Construction Phase:

After development of the plan, it proceeds in iterations. Every iteration is a mini-project. It helps in handling complex issues during development. On the basis of priorities decided by our developers & customers, developers start work based on nature of work involved.

Implementation & Training Phase:

Comprehensive training is given to the users after implementation of the application at the customers end. End users are given important commands for using the software effectively & efficiently. User manuals & on-line helps are made available to the users. Follow-up & bug fixing, if any, is done in this phase.

BS15000: Best Practices for Service Level Management

BS 15000 is the first worldwide standard specifically aimed at IT Service Management. It describes an integrated set of management processes for the effective delivery of services to the business and its customers. BS 15000 is aligned with and complementary to the process approach defined within the IT Infrastructure Library (ITIL).

BS 15000 consists of two parts. BS 15000-1 defines the requirements for an organisation to deliver managed services of an acceptable quality for its customers. The scope includes: Requirements for a management system, planning and implementing service management, planning and implementing new or changed services, service delivery processes, relationship processes, resolution processes, control processes, and release processes.

BS 15000-2 is the Code of Practice and describes the best practices for Service Management processes within the scope of BS 15000-1.

ITIL framework

In 1988 the OGC began to define the IT Infrastructure Library (ITIL) - books of guidance on IT Service Management covering the ways to approach the various processes including help desk, problem management, change management, service level management and configuration management.

Proof of Concept

In our business it is imperative to keep abreast with latest technology to deliver better solutions to our clients. However there are challenges associated to it. Before adapting new technology, it is necessary to do a trial run of the new technology and products there from. These new technologies are demonstrated and offered for hands on experience in POC centers. We have created a POC center named “Livewire” in our Technology Center. We have OmniMonitor, an infrastructure & application-monitoring appliance for POC purpose. We also utilise Livewire for exhibition of remote management services through NOC. We create and offer the stimulated environment to our clients to get them near to real life scenario to test out the products and services before acquiring it.

INTELLECTUAL PROPERTY RIGHTS

The status of the various trademarks applied for and registered in the name of the Company is as follows:

Sr. No	Trademark	Application No	Class	Application Date	Status
1	OmniMonitor	1412630	9	January 10, 2006	Application is accepted for advertisement
2	OmniTransport	1291356	9	June 21, 2004	Registered on December 12, 2005
3	Omnitech Empowering Enterprises	1291357	9	June 21, 2004	Registered on December 12, 2005
4	OmniAudit	1296219	9	July 15, 2004	Registered on October 20, 2005
5	Omnibizness	1086476	9	March 11, 2002	Application has been Abandoned.
6	OmnimanageIT	1136852	9	September 27, 2002	Application has been Abandoned.
7	<u>E</u>	944036	9	July 31, 2000	Accepted for Advertisement
8	Omnicare	584480	9	November 11, 1992	Registered on July 15, 1993
9	Omnibizness IT	1086475	9	March 11, 2002	Applied
10	Omnitech	584478	9	November 11, 1992	Registered on September 28, 2001
11	Omnitech	920894	9	April 26, 2000	Applied

RESEARCH AND DEVELOPMENT

We believe that R&D is critical for future growth. Hence we continuously invest in R&D so that our products are competitive and in pace with changing market requirements and technology trends. Our R&D efforts for products are based on creation of Intellectual Property, enhancement of existing products, upgrading of technology and architecture, broad basing of platform support, scalability and better performance needs. A direct and tangible result of our R&D efforts is our product range and its subsequent evolution. We have also invested in R&D activities for developing and adapting methodologies, tools and technologies.

Mr. Avinash Pitale, our promoter is in charge of our R&D activities. Our R&D engineers are provided with technologies like Linux lab, application development lab, software testing tools lab and proof of concept center for carrying out R&D activities.

Our Company has spent Rs. 48.00 lacs and Rs. 41.10 lacs on research and development activity in the FY 2005 and FY 2006 respectively.

FACILITIES AND INFRASTRUCTURE

Facilities

Our Registered office is located in Mumbai. We have branches at Bangalore and New Delhi. Apart from this we carry our business operations from MAHAPE, Navi Mumbai. Support functions like Sales, Marketing, Finance and HR are carried out from our headquarters. Brief details of the facilities are as under:

Leased Facilities

Sr.No.	Location	Date of Lease	Date of Expiry
1.	Omnitech House, Plot No. A/13, Cross Road No. 5, Marol MIDC, Andheri East, Mumbai – 400093.	February 27, 1998	December 31, 2068
2.	Unit 104, Building No. 5, Sector 3, Millennium Business Park, Plot No. MBP/2 in Trans Thane Creek Industrial area, Mahape, Navi Mumbai – 400709.	March 31, 2000	March 30, 2010
3.	Premises 'D', 3 rd Floor, Building. No. 8, Community center, East Kailash, New Delhi – 110065.	December 1, 2005	November 30, 2008
4.	Unit No.52 (New No 232), Ground Floor, 12 th main, 3 rd Block, East, Jayanagar, Bangalore – 560011.	September 1, 2006	July 31, 2007

Our Company (hereinafter referred to as “the allottee”) received sanction from Maharashtra Industrial Development Corporation, (hereinafter referred to as “the Corporation” vide their letter No. MIDC/ROP/RGIP.Ph III/3946 dated May 11, 2007 for allotment of 14161 sq.mtrs of land at Plot No 21/3 from Rajiv Gandhi Infotech Park Hinjawadi, Pune, Ph-III at the rate of Rs.2000/- per sq.mtr, aggregating to a premium of Rs.2,83,22,000/- on the following terms and conditions:

1. The allottee has paid an amount of Rs.1,20,00,000/- as earnest money deposit alongwith the application;
2. The allottee to pay Rs.1,63,22,000/- being the balance amount of premium within 30 days from the date of the order. In event of failure to pay the balance amount within the stipulated time period, the allotment is liable to be cancelled without further notice;*
3. In the event of the allotment being cancelled, the Corporation shall be entitled to forfeit the entire amount of Rs. 1,20,00,000/- paid as earnest money deposit;
4. The terms and conditions of the allotment of land will be those as contained in the standard form of agreement to lease and the Lease annexed thereto and in substance are as follows:
 - a. The allottee shall enter into an Agreement to Lease in the form prescribed by the corporation and on the performance of the conditions will be entitled to a Lease for a term of 95 (Ninety Five) years from the date of handing over the possession and renewable for one further term of 95 (Ninety Five) years on payment of premium on such terms and conditions as may be determined by the Corporation at the time of renewal;
 - b. The annual ground rent of Re. 1/- p.a. is payable in respect of plot of land allotted.
 - c. The allottee shall get the plans and specifications or the proposed Software Development building duly approved by the Executive Engineer of the said Industrial Area and complete the said building in accordance with the approved plans and shall obtain a completion certificate from the Executive Engineer of the said Industrial Area within prescribed period.
 - d. The allottee shall not directly or indirectly transfer or assign the benefits of interest in the Agreement to Lease or part with the possession of the said land or any part thereof without prior consent of the Corporation who may refuse it or grant it subject to such conditions as the corporation may think fit including a condition for payment of additional premium;

- e. The allottee shall be entitled to use the land for purpose of software development only and not for any other purposes;
- f. The other terms and conditions of allotment shall be those contained in the prescribed forms of Agreement to Lease and the Lease.
- g. The stamp duty in respect of the preparation and execution of the Agreement to Lease and its duplication and also the lease and its duplication in respect of the allotted plot of land as also the legal costs for the preparation and execution of these documents including registration fees shall be borne and paid by the allottee alone
- h. The allottee shall submit the Building Plans of Software Development Building to the special planning authority and get the same approved from Special Planning Authority and commence the construction work and complete the construction work and also obtain BCC within the period of Two years from the date of taking over the possession of plot.
- i. If the allottee fails to complete the construction work and obtain BCC within the period of Two years from the date of possession of plot, the allotment of the plot will be summarily cancelled.
- j. The allottee to construct the building as per standard norms prescribed as per DC Rules applicable to Pune IT Park.
- k. At the time of conversion of this area into a Special Economic Zone, the allottee will have to seek prior approval from Development Commissioner, SEEPZ, Ministry of Commerce & Industry, Andheri(East), Mumbai – 400 093 and further to pay additional capital and costs likely to be incurred for the said conversion.
- l. If the proposed plot being allotted to the company, will have Extra Road Frontage, then the additional charges towards this Extra Road Frontage should be paid by the Company.
- m. If the proposed plot is situated on the corner of two roads then additional premium should be paid the Company.
- n. The Company will have to abide by all the terms and conditions of SEZ Act 2005 and SEZ Rules 2006.

* The said balance amount of Rs. 1,63,22,000/- have been paid by our company vide our letter dated June 29, 2007. The above referred allotment letter was received by the Company on May 23, 2007. The Company has made an application dated May 30, 2007, to Maharashtra Industrial Development Corporation saying that the balance amount shall be paid in the due course of time. Approval from the Corporation is yet awaited.

INSURANCE

Our Company has taken a comprehensive insurance policy dated March 3, 2006 from Bajaj Allianz General Insurance Company Limited. This insurance policy covers various risk on the assets as furnished below, situated at our Registered Office and our Navi Mumbai Office. The period of the Insurance Policy is February 3, 2007 to February 2, 2008. The summary of the sum insured and the premium paid is as follows:

Sr. No.	Particulars	Sum Insured (Rs. in Lacs)	Premium (In Rs.)
1.	Money Insurance	1.00	750
2.	Plate Glass Insurance	10.00	7710
3.	Fire & Allied Perils (Building and Contents) (Earthquake cover included)	2266.26	44713
4.	Fire & Allied Perils (Stocks)	80.00	
5.	Breakdown of Office Equipments		45000
6.	Electronic Equipments		112500
7.	Portable Computers		30000
8.	Fidelity Guarantee		3000
	Total	2357.26	243673
	(+) Terrorism Premium		18630
	(+) Service Tax, including Education Cess		25285
	(-) Section Discount		5646
	(-) De-Tariff Discount		45441
	Total Premium Payable		236,501

REGULATIONS AND POLICIES

KEY INDUSTRY – REGULATIONS

Companies in the IT industry in India are subject to regulations and policies.

Our company has set up an 100% EOU under the STP Scheme (under The Ministry of Information Technology, Government of India) notified by the Central Government (Ministry of Commerce) in exercise of its powers under Section 3 (1) of the Foreign Trade Development and Regulation Act, 1992 at the 3rd Floor of our Registered Office and our Navi Mumbai Office. The scheme has been explained in brief hereunder.

SOFTWARE TECHNOLOGY PARKS SCHEME (“STP SCHEME”)

The STP Scheme (under The Ministry of Information Technology, Government of India) has been notified by the Central Government (Ministry of Commerce) in exercise of its powers under Section 3 (1) of the Foreign Trade Development and Regulation Act, 1992 to permit the establishment of STPs which may be 100% export oriented units undertaking software development for export using data communication links or in the form of physical media and includes export of professional services. All notified IT enabled products and services would qualify their provider for establishing a unit in and benefiting from the STP scheme.

Whilst activities falling within the IT sector have not been defined by the FIPB, certain activities under ITES have been notified vide a circular dated September 26, 2000 issued by the Central Board of Direct Taxes (CBDT). The ITES activities which fall under the scope of the said circular includes, (i) Back-Office Operations (ii) Call Centers (iii) Content Development or Animation (iv) Data Processing (v) Engineering and Design (vi) Geographic Information System Services (vii) Human Resources Services (viii) Insurance Claim Processing (ix) Legal Databases (x) Medical Transcription (xi) Payroll (xii) Remote Maintenance (xiii) Revenue Accounting (xiv) Support Centres and (xv) Web-site Services.

Setting up of a STP Unit

An application is required to be made by the Company desirous of setting up a unit as an STP to the Director of the STP, which approval is ordinarily granted within 15 days of such application being made subject to (a) items to be manufactured or exported are not restricted or prohibited; (b) the location is in conformity with the prescribed parameters; (c) the export obligation laid down in the STP Scheme is fulfilled; and (d) the unit is amenable to bonding by the Customs and all manufacturing operations are carried out in the same premises. The registration as an STP is location specific. The company pursuant to the requirements of the STP approval would be required to execute an agreement with GoI agreeing to comply with conditions prescribed in the STP approval, inter alia, the export obligations and customs bonding of the premises. In order to be able to obtain the STP license, the Company would require the following licenses:

- (a) manufacturing consent from the relevant customs department;
- (b) an Importer Exporter Code from the Directorate General of Foreign Trade (in order to be able to export its services/products); and
- (c) registration as an ‘Other Service Provider’ with the Department of Telecommunications to provide call centre services.

Benefits under the STP Scheme

The salient features of the benefits available to a unit under the STP Scheme are:

1. All imports of hardware and software are duty free. The import of second hand goods is permitted and the re-export of capital goods is also permitted. Further, domestic purchases by the unit are eligible for the benefit of deemed exports to the equipment suppliers;
2. Sales in the domestic tariff area (DTA) are permissible up to 50% of the export in value terms;
3. No corporate income tax is payable till the year 2010;

4. The capital goods purchased from the DTA are entitled to benefits relating to the levy of excise duty and the reimbursement of central sales tax;
5. Capital invested by foreign entrepreneurs, know-how fees, royalties and dividend can freely be repatriated after payment of income taxes due on them, if any;
6. The income of these STP units can also be invested in principal companies overseas;
7. The unit is entitled to a Green Card for priority treatment for Government clearances and other services;
8. Depreciation on capital goods can be availed of above 90% over a period of five years and also the accelerated rate of 7% per quarter during the first two years subject to an overall limit of 70% in the first three years; and
9. An STP unit can import all types of goods (including capital goods) without the payment of duty for its activities or in connection therewith provided that such goods are not prohibited items of import.

State Specific Benefits

In addition to the benefits offered to an ITES company under the STP Scheme, certain benefits are also available under the relevant state legislation/regulations. These benefits include rebates/waivers in relation to payments for transfer of property and registration (including for purchase/lease of premises), waiver of conversion fee for land, entry tax exemptions, labour law relaxations, exemption from state pollution control requirements and commercial usage of electricity.

Data Protection

India has currently not enacted any legislation in relation to data protection. A committee has been set up to examine the need for data protection legislation in India. The recommendations of the Committee have not yet been made public.

Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

Other Regulations

We are also required to obtain registrations and approvals for the purposes of carrying on our business. For the details of the approvals required for our business, please refer to chapter titled “Government Approvals/Licensing Arrangements” beginning on page 161 of the Red Herring Prospectus.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated on January 30, 1990 as OMNITECH BUSINESS MACHINES PRIVATE LIMITED, under the Companies Act, 1956, with the Registration Number 11-55256. The name of our Company was changed to OMNITECH INFOSOLUTIONS PRIVATE LIMITED on January 9, 2001 and subsequently to OMNITECH INFOSOLUTIONS LIMITED on April 12, 2001.

At the time of incorporation the Registered Office of our Company was situated at 8, Girivihar, Ram Maruti Cross Road No 3, Navpada, Thane, 400 601. With effect from October 14, 1990 the Registered Office of our Company is shifted to B/305, Byculla Service Industries, Sussex Cross Road, Byculla (East), Mumbai-400027. With effect from December 8, 2005 the registered office of our Company was shifted to the present address which is “OMNITECH HOUSE”, Plot No A/13, Cross Road No. 5, Marol M.I.D.C, Andheri East, Mumbai-400 093, India

Our Company was incorporated in the year 1990 and over a period of time, from being a third party service provider and computer assembling company, we have expanded our scope of activities by venturing into IT solutions and Technology services.

Presently, we are a technology service provider and are dedicated to deliver a wide range of technology services as well as technology-enabled services to our clients. Our portfolio of offerings includes a wide range of IT services and products such as business availability services, business continuity services, systems integration solutions, and framework solutions and products. In business availability services, we provide services such as infrastructure management, application management and software testing. In business continuity services, we provide services such as disaster recovery management and disaster recovery consulting and auditing.

Major events in the History of our Company:

Year	Event
1990	Incorporation
1992	Launched IPX Diskless Stations
1994	Launched Note Books in India under our brand name “Omnitech”
1995	Pioneers in launch of Floptical Drives in India
1996	Introduced Facilities Management Services
1999	Commenced outsourcing of assembling activities
2000	Received ISO certification 9002
	Successful Launch of Software Development Lab facility at our Navi Mumbai office.
2001	Upgradation of ISO certificate to 9001:2000
	Name changed to OMNITECH INFOSOLUTIONS LIMITED
	Launched Business Continuity Planning Services
2002	Launched OmniBusinessIT CRM software Suite
	Launched Software Product - OmniManageIT (IT infrastructure management suite)
2003	Launched Software Product - OmniAudit (Assets tracking tool)
	Commenced developing of software product under style name OmniTransport (business process automation for transport corporations)
	Launched IT Infrastructure Management Services based on ITIL guidelines
2005	Gained foothold in the international markets by obtaining export orders
2006	Introduced OmniMonitor, an Infrastructure and Application Monitoring Appliance
	Commenced operations of NOC and Technology Center
	Acquisition of ESI vide Business Assets Purchase Agreement, whereby ESI would operate as a division of Omnitech.
	Initial approval received from the Ministry of Industry and Commerce in the Kingdom of Bahrain for incorporation of “Omni Gulf Technologies WLL” and “DRC Gulf WLL” for proposed business operations of the Company in Bahrain and other Middle East countries
2007	Incorporation of Omnitech Technologies Inc., a wholly owned subsidiary of Omnitech InfoSolutions Limited, in the State of Delaware, United States of America

Changes in Registered Office of our Company:

Date of Change	Previous Address	New Address	Reasons for change
October 14, 1990	8, Girivihar, Ram Maruti Cross Road No 3, Navpada, Thane, 400 601	B/305, Byculla Service Industries, Sussex Cross Road, Byculla (East), Mumbai-400027.	Operational convenience
December 8, 2005	B/305, Byculla Service Industries, Sussex Cross Road, Byculla (East), Mumbai-400 027.	Omnitech House, Plot No A/13, Cross Road No. 5, Marol M.I.D.C, Andheri East, Mumbai-400 093, India	Operational convenience

The requisite Form 18 for shifting of the Registered Office was duly filed with the RoC on both occasions.

Main Objects of our Company:

The main object of our Company as given in the Memorandum of Association of the Company is reproduced below:

- “1. To manufacture, produce, assemble, design, fabricate, develop and deal in as importer or indentors, exporter, agents, brokers, retailers or wholesalers in computers, peripheral consumables, hardware, software, electronic components, kits, devices, printers, circuits or any other related items.”

The objects of the MoA of our Company enables us to undertake activities for which the funds are being raised in this Issue. The existing activities of our Company are in accordance with the Object Clause of our MoA.

CHANGES IN THE MEMORANDUM OF ASSOCIATION

Date of Change	Change
January 13, 1994	Increase in Authorised Capital from 100000 Equity shares to 250000 Equity Shares of Rs. 10/- each
September 19, 1994	Increase in Authorised Capital from 250000 Equity shares to 1000000 Equity Shares of Rs. 10/- each
August 2, 1999	Increase in Authorised Capital from 1000000 Equity shares to 2500000 Equity Shares of Rs. 10/- each
November 1, 2000	Increase in Authorised Capital from 2500000 Equity shares to 6000000 Equity Shares of Rs. 10/- each
January 9, 2001	Change of Name from OMNITECH BUSINESS MACHINES PRIVATE LIMITED to OMNITECH INFOSOLUTIONS PRIVATE LIMITED
April 14, 2001	Conversion from Private Limited Company to Public Limited Company
April 14, 2001	Change of Name from OMNITECH INFOSOLUTIONS PRIVATE LIMITED to OMNITECH INFOSOLUTIONS LIMITED
May 20, 2002	Increase in Authorised Capital from 6000000 Equity shares to 6500000 Equity Shares of Rs. 10/- each and adoption of New Set of Articles of Association
August 22, 2006	Increase in Authorised Capital from 6500000 Equity shares to 15000000 Equity Shares of Rs. 10/- each.

Our Subsidiaries

We have a wholly owned subsidiary, in name of Omnitech Technologies Inc., as on the date of filing the Red Herring Prospectus, i.e. which was incorporated on February 9, 2007.

The registered office of Omnitech Technologies Inc., is in the State of Delaware and located at 160, Greentree Drive Suite 101, in the City of Dover, Country of Ken, 19904.

The object for which the company is incorporated is as follows:

“To engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware.”

This company is yet to commence any business activity.

Shareholders Agreement

There is no Shareholders' Agreement among our shareholders in relation to our Company.

Other Agreements

Except for the agreements mentioned hereunder, we are not a party to, or have entered into, any other material contracts not being a contract:

- (i) entered into in the ordinary course of our business carried on, or intended to be carried on, by us; or
- (ii) entered into more than two years before the date of filing the Red Herring Prospectus with the RoC.

1. Business Assets Purchase Agreement

Our Company has entered into a Business Assets Purchase Agreement dated August 25, 2006, for a consideration of Rs. 45.00 Lacs (Rupees Forty Five Lacs Only), with Edventure Systems Inc. (“ESI”, a partnership firm which by virtue of this agreement has become a Software Testing division of Omnitech) and Mr. Anurag Shah, Managing Partner of ESI, who by virtue of this agreement holds office as the Chief Executive Officer, of Software Testing Division of Omnitech.

The principal terms of the Agreement are as follows:

1. The business of ESI shall continue under the name and style of ESI as a division of Omnitech and ESI shall cease to exist as a Partnership Firm
2. Omnitech has acquired the following Business Assets of ESI with effect from July 1, 2006:
 - Non-Exclusive Independent Marketing Representative Agreement with Compuware, for sale of Compuware's Software Products.
 - Original Partnership Agreement with Segue Software Products for the sale and distribution of Segue Software Products.
 - Service Agreement with Mahindra British Telecom Limited, for provision of services of Contractor(s) to perform tasks related to Computer Software, Engineering and Consultancy.
 - All trademark, copyright and other intellectual property of whatsoever nature including goodwill, whether registered or not, which vests in or owned by ESI in the name and style "EDVENTURE SYSTEMS INC." or "ESI"
 - Any contracts, agreements or arrangements not explicitly covered hereinabove, including but not limited to agreements supplemental to or consequential to the agreements enumerated hereinabove, but being performed by ESI or any of its partners or employees on behalf of ESI, ONLY in the following business areas, namely:
 - a) Software testing and training;

- b) Projects;
 - c) Sales of software testing tools; and
 - d) Any other contracts, agreements or arrangements in the fields of Information Technology.
- 3 With effect from July 1, 2006 Omnitech has appointed Mr. Anurag Shah who was the Managing Partner of ESI, to hold office in Omnitech as the Chief Executive Officer (Software Testing Division) of Omnitech and has taken over all such employees of ESI as have been recommended by Mr. Anurag Shah on such terms and conditions as contained in the said agreement.
4. The deal has been structured into immediate payout and a three-year payout based on the targets achieved so as to secure the commitment of Mr. Anurag Shah and his team.
5. The payouts over three years would be as tabled below. For all incentives received for slabs till 100%, Mr. Anurag Shah will receive his incentive by way of options only under Omnitech's ESOP (Employee Stock Option) plan. For all incentives received for slabs from 100%-130%, Mr Anurag Shah will have the option to take the same either by way of options or by way of a cash payout. In any event, incentives payable to Anurag shall not exceed the slab of 100% to 130% irrespective of whether the performance has advanced beyond 130%, and the incentives payable are capped as stated hereinbelow:

Period	Maximum incentive amount (in Rs. Lacs)
July 1, 2006 to March 31, 2007	56.63
April 1, 2007 to March 31, 2008	97.82
April 1, 2008 to March 31, 2009	115.14
April 1, 2009 to June 30, 2009	18.88
Total	288.46

6. All cash forming a part of the consideration payable to ESI shall be paid in the name of ESI only and all cash/options payable to Mr. Anurag Shah will be paid/granted in the name of Mr. Anurag Shah only
7. This Agreement shall continue to be in effect for perpetuity unless terminated, by either party, on such grounds as provided in Article 20 of the Agreement. However, there are differential termination clauses for termination before June 30, 2009 and termination after June 30, 2009. The relevant clause has been reproduced hereinbelow:
- (i) Termination within three years of Effective Date i.e. within June 30, 2009
- Except for the Completion not taking place and this Agreement becoming voidable at the instance of Omnitech as per Clause 5.4 of this Agreement cannot be terminated by either Party to this Agreement except in the following situations:
- a) Death or permanent disability (as defined in the Workmen's Compensation Act, 1923) of Anurag;
 - b) An order being passed for winding up or liquidation of Omnitech by a Court or Tribunal legally competent to pass such order in respect of Omnitech, and such order has not been appealed against, and definitive proceedings have been initiated subsequent to such order for liquidation of assets and payment of liabilities of Omnitech;
 - c) Any material misconduct or any breach of contract by either side which is not adequately addressed after due notice in writing (of at least thirty days from the date of delivery or deemed delivery of such notice) of the same by any other Party

Provided that ESI cannot terminate this Agreement under this sub-clause (c) relating to conduct of Anurag, and Anurag cannot terminate this Agreement under this sub-clause for conduct of ESI

In any event, no Party can terminate this Agreement without giving a prior written notice of at least ninety (90) days, and the period of ninety days shall be reckoned from the date of delivery or deemed delivery of such notice.

(ii) Termination after three years of Effective Date after June 30, 2009

If, after three years of Effective Date, this Agreement is terminated, for any reason whatsoever, by:

- a. Omnitech [such termination not being occasioned by material misconduct or any breach of contract by Anurag which is not adequately addressed after due notice in writing by Omnitech (such notice being of at least thirty days from the date of delivery or deemed delivery of such notice)], then the period of non-compete, non-solicit and non-hire as contained in Clause 8 shall read as two years from the date of termination notice by Omnitech, and except for this change, Clause 8 shall be applicable in full force and effect;
- b. Anurag or ESI, then Clause 8 shall apply in its full force and effect and without any modifications whatsoever.

In any event, no Party can terminate this Agreement without giving a prior written notice of at least ninety (90) days, and the period of ninety days shall be reckoned from the date of delivery or deemed delivery of such notice.

The Financial Performance of ESI for last four years is as follows :

The audited financial performance of the firm for the last four years is as under:

(Rs. In Lacs)				
Particulars	FY 2006	FY 2005	FY 2004	FY 2003**
Total Income	412.71	311.17	94.90	4.23
Profit after tax	12.47	8.07	14.13	0.29
Partners Capital*	20.91	19.17	19.97	0.95

* Net-off Current A/c

** For the period September 12, 2002 till March 31, 2003

Strategic Partners

Our company does not have any strategic partners

Financial Partners

Our company does not have any financial partners

Our Joint Ventures

1. “DRC Gulf W.L.L.

We, alongwith Mastermind Financial Services Private Limited, a company registered under the applicable laws of India, and Noon Investment Company W.L.L., a company registered in the Kingdom of Bahrain under applicable laws and represented by Mr. Bashar Mohammed Al Mutawa, a Bahraini national, have incorporated “DRC Gulf W.L.L., a Joint Venture Company (“JVC”) being a Company with limited liability, with its registered office and head office situated at Manama Centre, in Kingdom of Bahrain. The registration number of the JVC is 63462 and the date of its registration is December 12, 2006.

The Objects for which the JVC is created are :

1. IT Management and Consultancy;
2. Import, export and sale of IT products and services, including computer hardware and software and related items;
3. Import, export and sale of networking and communications products and services;
4. Provide data storage center services;

5. The Company may have interest in or participate in any manner in institutions which carry on similiary activities or which may assist the Company in realizing its own objects in Kingdom of Bahrain or abroad. The Company may acquire such entities or merge therewith;
6. The Company may add new activities subject to the approval of the Ministry of Industry and Commerce.

The principal clauses of the Memorandum of Association, constituted pursuant to consent received from the Directorate of Company Affairs at the Ministry of Industry and Commerce dated October 2, 2006 under No. 43756 are as under:

1. The Share Capital of the Company is 20,000 Bahraini Dinars (BD) divided into 400 equal non-divisible shares of 50 BD each;
2. The Company will have a General Assembly comprising of all shareholders;
3. The Company shall be managed by a Board of Directors consisting of five (5) members appointed by the General Assembly, for a period of three years, renewable.
4. All the decisions of the Board of Directors shall require the affirmative vote of majority of the members of the Board.
5. The Company is established for an indefinite term.
6. In case of sale of transfer of shares held by any partner of the JVC, the other partners of the JVC have pre-emptive right to buy shares at fair market price, as determined by the Company's external auditor, prevailing on date of transfer.
7. In all cases, the incoming partner would have to be approved by the Board of Directors. Objection to the introduction of the new partner cannot be established unless it has been proved that the new partner's participation would be detrimental to the Company's interest.
8. The following decisions would require majority of 75% of shareholders present/represented at the meeting for consideration of:
 - a. Amendement in the Memorandum of Association;
 - b. Sale of the entire business undertaken by the Company;
 - c. Dissolution of the Company, or the merger thereof with another entity or company;
 - d. Increase or reduction in capital;
9. The distribution of net profits shall be made after deducting all the overheads, including depreciation provisions in the light of the Auditors Report as follows :
 - a. 10% to be set aside for the statutory reserve and such deduction to be discontinued once the statutory reserve equals 50% of the capital. The deduction shall be resumed at any time when the statutory reserve falls below the stiputated 50%
 - b. The General Assembly may deduct any percentage for the general reserve. Such deduction may be discontinued by resolution passed by the General Assembly;
 - c. The balance of the remaining profits shall be distributed to the partners in proportion to the shareholding of each partner of the JVC;
 - d. No dividends shall be paid except after all the losses have been made up.
10. The JVC shall be dissolved, in any of the following events:
 - a. If the Company is adjudicated bankrupt;
 - b. Dissolution of the Company in accordance with the provisions of the Law;
 - c. If a judgement decree is passed ordering dissolution of the Company;
 - d. Issue of a decree by the shareholders to liquidate the Company before expirty of its fixed term;
 - e. If the Company ceases to operate
11. Any dispute arising between the shareholders, if not amicably settled, be settled by arbitration under the Charter and Arbitral Rules of Procedure of the Gulf Co-operation Council Commercial Arbitration Centre in Bahrain from time to time in force.
12. The Courts of the Kingdom of Baharain shall have jurisdiction over disputes arising from the Memorandum;
13. The provisions of the Commercial Companies Law 21/2001 and all subsequent amendments shall be applicable to all matters not provided in the Memorandum.
14. In case of inconsistencies in reference between English and Arabic versions of the Memorandum of Association, the articles in the Arabic version shall prevail.

The Shareholding pattern as on May 31, 2007, is as follows:

Particulars	Equity Shares of F.V. BD 50/-	
	Number of Shares	%Age of Shareholding
Noon Investment Company	4080	51.00
Omnitech InfoSolutions Limited	1960	24.50
Mastermind Financial Services Private Limited	1960	24.50
Total	8000	100

The Board of Directors as on May 31, 2007

Name of Director	Designation
Mr. Bashar Mohammed Al Mutawa	Chairman
Mr. Atul M. Hemani	Director
Mr. Avinash C. Pitale	Director
Mr. Manish D. Ladage	Director
Mr. N. R. Parmeshwaran	Director
Mr. P. Sethumadhavan	Director

2. Omnitech Gulf Technologies W.L.L.

We, alongwith Mastermind Financial Services Private Limited, a company registered under the applicable laws of India, and Mr. Bashar Mohammed Al Mutawa, a Bahraini national, have incorporated “Omnitech Gulf Technologies W.L.L., a Joint Venture Company (“JVC”) being a Company with limited liability, with its registered office and head office situated at Manama, in Kingdom of Bahrain. The registration number of the JVC is 63638 and the date of its registration is January 14, 2007

The Objects for which the JVC is created are:

1. IT Management and Consultancy;
2. Import, export and sale of IT products and services, including computer hardware and software and related items;
3. Import, export and sale of networking and communications products and services;
4. The Company may have interest in or participate in any manner in institutions which carry on similiary activities or which may assist the Company in realizing its own objects in Kingdom of Bahrain or abroad. The Company may acquire such entities or merge therewith;
5. The Company may add new activities subject to the approval of the Ministry of Industry and Commerce.

The principal clauses of the Memorandum of Association, constituted pursuant to consent received from the Directorate of Company Affairs at the Ministry of Industry and Commerce dated November 23, 2006 under No. 43748 are as under :

1. The Share Capital of the Company is 20,000 Bahraini Dinars (BD) divided into 400 equal non-divisible shares of 50 BD each;
2. The Company will have a General Assembly comprising of all shareholders;
3. The Company shall be managed by a Board of Directors consisting of five (5) members appointed by the General Assembly, for a period of three years, renewable.
4. All the decisions of the Board of Directors shall require the affirmative vote of majority of the members of the Board.
5. The Company is established for an indefinite term.
6. In case of sale of transfer of shares held by any partner of the JVC, the other partners of the JVC have pre-emptive right to buy shares at fair market price, as determined by the Company’s external auditor, prevailing on date of transfer.

7. In all cases, the incoming partner would have to be approved by the Board of Directors. Objection to the introduction of the new partner cannot be established unless it has been proved that the new partner's participation would be detrimental to the Company's interest.
8. The following decisions would require majority of 75% of shareholders present/represented at the meeting for consideration of :
 - a. Amendment in the Memorandum of Association;
 - b. Sale of the entire business undertaken by the Company;
 - c. Dissolution of the Company, or the merger thereof with another entity or company;
 - d. Increase or reduction in capital;
9. The distribution of net profits shall be made after deducting all the overheads, including depreciation provisions in the light of the Auditors Report as follows :
 - a. 10% to be set aside for the statutory reserve and such deduction to be discontinued once the statutory reserve equals 50% of the capital. The deduction shall be resumed at any time when the reserve falls below the stipulated 50%
 - a. The General Assembly may deduct any percentage for the general reserve. Such deduction may be discontinued by resolution passed by the General Assembly;
 - b. The balance of the remaining profits shall be distributed to the partners in proportion to the shareholding of each partner of the JVC;
 - c. No dividends shall be paid except after all the losses have been made up.
10. The JVC shall be dissolved, in any of the following events:
 - a. If the Company is adjudicated bankrupt;
 - b. Dissolution of the Company in accordance with the provisions of the Law;
 - c. If a judgement decree is passed ordering dissolution of the Company;
 - d. Issue of a decree by the shareholders to liquidate the Company before expiry of its fixed term;
 - e. If the Company ceases to operate
11. Any dispute arising between the shareholders, if not amicably settled, be settled by arbitration under the Charter and Arbitral Rules of Procedure of the Gulf Co-operation Council Commercial Arbitration Centre in Bahrain from time to time in force.
12. The Courts of the Kingdom of Baharain shall have jurisdiction over disputes arising from the Memorandum;
13. The provisions of the Commercial Companies Law 21/2001 and all subsequent amendments shall be applicable to all matters not provided in the Memorandum.
14. In case of inconsistencies in reference between English and Arabic versions of the Memorandum of Association, the articles in the Arabic version shall prevail.

The Shareholding pattern as on May 31, 2007, is as follows:

Particulars	Equity Shares of F.V. BD 50/-	
	Number of Shares	%Age of Shareholding
Bashar Mohammed Al Mutawa	204	51.00
Omnitech InfoSolutions Limited	131	32.75
Mastermind Financial Services Private Limited	65	16.25
Total	400	100

The Board of Directors as on May 31, 2007

Name of Director	Designation
Mr. Bashar Mohammed Al Mutawa	Chairman
Mr. Atul M. Hemani	Director
Mr. Avinash C. Pitale	Director
Mr. Manish D. Ladage	Director
Mr. N. R. Parmeshwaran	Director
Mr. P. Sethumadhavan	Director

Both our joint venture companies are yet to commence any business activities.

OUR MANAGEMENT

Particulars Of Our Directors Full Name, Designation, Father's Name, Address, Occupation.	Age	Qualifications	Date of Appointment and tenure of office	Other Directorships held, if any.
Mr Maganlal K. Hemani Non-Executive Chairman S/o Mr. Kunvarji Hemani 402, Giriraj, Neelkanth Valley, Rajwadi Road No 7 Ghatkopar (East) Mumbai - 400 077 Businessman	73	-	December 9, 1997	Omnitech Technologies Limited
Mr. Atul M. Hemani Managing Director S/o Mr. Maganlal Hemani 401, Giriraj, Neelkanth Valley, Rajwadi Road No 7 Ghatkopar (East) Mumbai - 400 077 Businessman	43	B.E. (Electrical)	October 30, 1990. Re-appointed as Managing Director w.e.f. April 1, 2005 for a period of five years	1. Omnitech Technologies Limited 2. DRC Gulf W.L.L. 3. Omni Gulf Technologies W.L.L
Mr Avinash C. Pitale Executive Director S/o Mr. Chandrakant Pitale 503- H, Kukreja Complex Opp Jain Mandir, LBS Marg, Bhandup (West) Mumbai – 400 078 Businessman	44	B.E. (Electrical)	October 30, 1990. Re-appointed as Executive Director w.e.f. April 1, 2005 for a period of five years	1. Omnitech Technologies Limited 2. DRC Gulf W.L.L. 3. Omni Gulf Technologies W.L.L
Mr Devarshi D. Buch Executive Director S/o Mr. Dushyant Buch 9, Chandraprabha, Bhanushai Marg, Ghatkopar East, Mumbai – 400 077 Businessman	42	B.E. (Electrical)	April 1, 2001. Re-appointed as Executive Director w.e.f. April 1, 2005 for a period of five years	
Dr. Kalimohan J. Bhattacharya Independent & Non-Executive S/o J N Bhattacharya 11 D/703, Spring Leaf, Lokhandwala Township, Kandivali (East), Mumbai - 400101	67	M.A in Economics, Ph.D., D.Litt, CAIIB	July 31, 2006. Liable to retire by rotation	Gansons Limited
Dr. Ram Kishore B. Mangal Independent & Non-Executive S/o Bhagwatiprasad Mangal 32, Building 17, Bandra Reclamation, Mumbai - 400050	49	B.Tech. from IIT MBA from IIM Ph.D in Statistics, CISA	July 31, 2006 Liable to retire by rotation	Moore's Rowland Consulting Pvt. Ltd
Prof. Venkateshwaran.H. Iyer Independent & Non-Executive S/o Hariharan Iyer 11, Padmasana / Plot no 85,	67	M.Com, DBM, (JBIMS), Fellow of IIMM, Lead Auditor - QMS	July 31, 2006 Liable to retire by rotation	None

Garodia Nagar, Ghatkopar (East) Mumbai - 400 077				
Mr. Vasudeva V. Kamath Independent & Non-Executive S/o Vittal Kamath 93, Panchajanya, 13 th Main, Alcobaonagar, BTM Layout, Stage, Banglore – 560068	61	B.Com, C.A.II.B	April 26, 2007 Liable to retire by rotation	None

Brief Profile of the Directors

1. **Mr. Maganlal K. Hemani** : aged 73 years, a businessman, having an experience of over 58 years in varied fields of business viz. distribution, manufacturing and service industries. His , vast experience has helped our Company immensely. He continues to be a source of motivation for the Omnitech management team.
2. **Mr. Atul M. Hemani**, aged 43 years, a B.E. (Electrical) from University of Mumbai having an experience of over 20 years in the IT industry. He is a co-founder of our Company and had worked for two years with Hindustan Computer Limited (HCL), prior to promoting this Company. He is responsible for overall business strategy and direction of the organization. He has undergone various soft skills programmes. He has been instrumental in tying up business relationships with HP, CA and IBM. As Managing Director, he provides strategic direction to the Company and currently focuses on designing international business strategy and promotion of outsourcing services in the areas of infrastructure management, application development and software testing.
3. **Mr. Avinash C. Pitale**, aged 44 years, a B.E. (Electrical) from University of Mumbai has experience of over 20 years in the IT industry. He has completed a course in BS15000 and is a DRI certified professional. He has a rich experience of service delivery on various hardware and software platforms and has undergone various soft skills programmes. He is also a co-founder of our Company and had worked for three years with Hindustan Computer Limited (HCL), prior to promoting this Company. He is responsible for conceptualisation, execution and delivery model set up for various services viz. infrastructure management services and disaster recovery services. He is also responsible for setting up business processes and policies and overall quality initiatives for the organization. His areas of specialization are business continuity planning and infrastructure management services. Currently, he focuses on building NOC based remote management services.
4. **Mr. Devarshi D. Buch**, aged 42 years, a B.E. (Electrical) from University of Mumbai has experience of over 20 years in the IT industry. He has undergone various presales and technical certification programmes. He is a certified executive and has the following certifications
 - Intel Certified Solutions Specialist;
 - Compaq Technical Certified Engineer;
 - Compaq Storage Works;
 - Cisco Certified Network Associate;
 - Cisco Systems Design Associate;
 - Cisco Router Configuration;
 - Customer support Certification for Compaq;
 - LAN-WAN Integration-Core Technologies;
 - Microsoft-Sales Certification.

Prior to joining our Company in 1994, he was working with Minicomp Limited as Project Manager. His areas of specialization are sales of solutions/technologies and products, execution of turnkey projects, providing of IT consultancy in the areas of enterprise computing, connectivity solutions and server-based solutions, DRP, securities solutions and many more. He is responsible for developing domestic business in the area of system integration and services.

5. **Dr. Kalimohan J. Bhattacharya, Independent Director:** aged 67 years, is an M.A. in Economics along with a Ph.D. D.Litt.,CAIIB He has vast experience of about 40 years in the Banking sector which includes 35 years of service with State Bank of India at various position including that of the Chief General Manager in the State Bank of India. He also held the positions as Executive Director with IndusInd Bank Limited for 1.5 years, Managing Director and CEO with Bank of Rajasthan for 4 years, Nominee Director in Maharashtra State Financial Corporation (MSFC) for 5 years, as Vice President for Rajasthan Chamber of Commerce for 4 years and as a member of the Government Board, Indian Bank Associations (IBA) for 3 years. Currently he is a Professor & Head of Centre of Banking and Advance Financial Studies at Institute of Chartered Financial Analysts of India.
6. **Dr RamKishore B. Mangal,** aged 49 years has around 20 years of experience in IT industry, in financial, services and manufacturing domains. In his last engagement as Chief Technology Officer and Group Head of Kotak Mahindra Bank, Dr Mangal pioneered major initiatives to enable the bank to implement and be launched with large number of major applications, all fully integrated, with practically no file movements, no reconciliation needs between applications, and practically zero operating errors. After starting his own firm, Kontabs, he formulated the IT strategy for Kotak Bank and continued to advise them on major initiatives. He has been providing management consultancy in IT space to various clients. Earlier, Dr Mangal had headed IT for Grindwell Norton, HDFC Ltd., Reliance Petroleum, and Thomas Cook. Dr Mangal had also been a faculty at The University of Memphis, Memphis, Tennessee, USA. He is a Ph.D. from The Ohio State University, USA, MBA from IIM Ahmedabad, and B.Tech. from IIT Kanpur, and had cleared CISA exams. Dr. Ram K Mangal is on the board of Moores Rowland Consulting Pvt. Ltd., a Haribhakti Group entity providing Information Systems Risk Management services.
7. **Prof.Venkateshwaran H. Iyer,** aged 67 years Engineer by Training, M.Com.(Mysore University), Diploma in Management(JBIMS),Fellow of IIMM, a Lead Auditor for QMS(IRCA-UK) with 30 years of total experience in the senior management cadre in well-known organizations including Larsen & Toubro Ltd.,IBM, Rallis India and the house of Mafatlals. He is a winner of the Best Faculty Award (1996-IIMM) and UNITOP Award(1997) for his contribution to Management Education. He has also been the past Chairman of Indian Institute of Materials Management (IIMM) and is currently a Member of the Board of Studies of IIMM. He was earlier on the Governing Board of Bombay Productivity Council and the Indian society for Training and Development. Presently, since January 1, 2001, he is a Professor of Operations Management in Welingkar Institute of Management and Dean of their Management Development Center.
8. **Mr.Vasudeva V. Kamath,** aged 61 years, is a B. Com. (gold medallist) from Mysore University and also a distinction holder in CAIIB. He has vast experience of about 40 years in the banking sector and has held various positions in Canara Bank and Canbank Venture Capital Fund Limited. He commenced his career with Canara Bank in 1966 as an Officer/Accountant and over a period of time was promoted to various positions. He retired as a Deputy General Manager and member of the Recovery Committee of the Canara Bank, Recovery Wing at Bangalore in the year 2006.

Details of Borrowing Powers of Directors

The Articles of Association of our Company authorises the board to borrow, the extract of which is as follows:

Title of Article	Article Number and contents
Power to borrow	<p>86.</p> <p>Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be</p>

	valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
Terms of issue of Debentures	88. Any debenture, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise; however, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

The shareholders of our Company have passed a resolution at the AGM of the Company held on August 22, 2006, authorising the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 to borrow, such sum or sums of money as they may deem requisite for the purpose of the business of the Company not withstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set up for any specific purposes provided that the total amount together with the monies already borrowed by the Board of Directors shall not at time exceed the sum of Rs.50000 Lacs only.

For further details regarding provisions of our Articles of Association dealing with borrowing powers, please refer section titled “Main Provisions of the Articles of Association of the Company” beginning on page 208 of the Red Herring Prospectus.

Compensation of Managing Director/ Executive Directors

The total remuneration paid to Managing and Whole Time Directors for Financial Year 2005-06 and Financial Year 2006-07 is Rs. 38.11 Lacs and Rs. 88.47 Lacs respectively.

Directors’ Remuneration

Our Shareholders at the Annual General Meeting held on September 30, 2005, approved re-appointment of Mr. Atul Hemani as Managing Director of our Company with effect from April 1, 2005 for a period of five years

At our Annual General Meeting held on August 22, 2006, our shareholders have approved the resolution for revision in remuneration payable to Mr. Atul Hemani with effect from April 1, 2006 : The resolution passed for the same has been reproduced hereinbelow :

“RESOLVED THAT in terms of the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for payment of increase in remuneration to Mr. Atul Hemani, Managing Director of the Company for the period of three years from remaining period of his tenure as Managing Director, w.e.f. 1st April, 2006 for an amount not exceeding Rs. 29.70 Lacs per annum during period in which company has loss or inadequacy of profit and not exceeding 5 % of net profit as computed in terms of Section 349/ 350 during the period when company has profitability including Basic Salary, Payment of Bonus, Performance Incentives, commissions and other perquisites and allowances as may be decided by the Board from time to time and as detailed in the Explanatory Statement and Additional Perquisites and Allowances as may be approved by the Board of Directors from time to time as per the rules of the Company.

RESOLVED FURTHER THAT in the event of no profit or the profits being inadequate in any financial year of the Company during the currency of tenure of Mr. Atul Hemani, he shall be paid salary, allowances and perquisites not exceeding limits as set out in Schedule XIII and other

provisions of the Companies Act, 1956 or any modification thereof unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- iii. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Atul Hemani shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.”

Mr Avinash Pitale – Executive Director

Our Shareholders at the Annual General Meeting held on September 30, 2005, approved re-appointment of Mr. Avinash Pitale as Whole Time Director of our Company with effect from April 1, 2005 for a period of five years

At our Annual General Meeting held on August 22, 2006, our shareholders have approved the resolution for revision in remuneration payable to Mr. Avinash Pitale with effect from April 1, 2006 : The resolution passed for the same has been reproduced hereinbelow :

“RESOLVED THAT in terms of the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for payment of increase in remuneration to Mr. Avinash Pitale, as Executive Director of the Company for the period of three years from remaining period of his tenure as Executive Director, w.e.f. 1st April, 2006 for an amount not exceeding Rs. 28.50 Lacs per annum during period in which company has loss or inadequacy of profit and not exceeding 5% of net profit as computed in terms of Section 349/ 350 during the period when company has profitability including Basic Salary, Payment of Bonus, Performance Incentives, commissions and other perquisites and allowances as may be decided by the Board from time to time and as detailed in the Explanatory Statement and Additional Perquisites and Allowances as may be approved by the Board of Directors from time to time as per the rules of the Company.

RESOLVED FURTHER THAT in the event of no profit or the profits being inadequate in any financial year of the Company during the currency of tenure of Mr. Avinash Pitale, the shall be paid salary, allowances and perquisites not exceeding limits as set out in Schedule XIII and other provisions of the Companies Act, 1956 or any modification thereof unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,
- iii. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Avinash Pitale shall be entitled to the reimbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.”

Mr Devarshi Buch – Executive Director

Our Shareholders at the Annual General Meeting held on September 30, 2005, approved re-appointment of Mr. Devarshi Buch as Whole Time Director of our Company with effect from April 1, 2005 for a period of five years

At our Annual General Meeting held on August 22, 2006, our shareholders have approved the resolution for revision in remuneration payable to Mr. Devarshi Buch with effect from April 1, 2006 : The resolution passed for the same has been reproduced hereinbelow :

“RESOLVED THAT in terms of the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the members, be and is hereby accorded for payment of increase in remuneration to Mr. Devarshi Buch, Executive Director of the Company for the period of three years from remaining period of his tenure as Executive Director, w.e.f. 1st April, 2006 for an amount not exceeding Rs. 28.50 Lacs per annum during period in which company has loss or inadequacy of profit and not exceeding 5% of net profit as computed in terms of Section 349/ 350 during the period when company has profitability including Basic Salary, Payment of Bonus, Performance Incentives, commissions and other perquisites and allowances as may be decided by the Board from time to time and as detailed in the Explanatory Statement and Additional Perquisites and Allowances as may be approved by the Board of Directors from time to time as per the rules of the Company.

RESOLVED FURTHER THAT in the event of no profit or the profits being inadequate in any financial year of the Company during the currency of tenure of Mr. Devarshi Buch, he shall be paid salary, allowances and perquisites not exceeding limits as set out in Schedule XIII and other provisions of the Companies Act, 1956 or any modification thereof unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- iii. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Devarshi Buch shall be entitled to the reimbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.”

Shareholding Of our Directors

As per our Articles, our Directors are not required to hold any Equity Shares in our Company. Save and except as below, our Directors do not hold any Equity Shares in our Company as on the date of filing of the Red Herring Prospectus.

Name of the Director	Number of Shares	% Shareholding
Mr Atul M. Hemani	1813973	18.50%
Mr Avinash C. Pitale	1378523	14.06%
Mr Devarshi D. Buch	240000	2.45%
Dr. Ram Kishore.B. Mangal	12000	0.12%
Prof. Venkateshwaran H. Iyer	2200	0.02%

Interest of Promoter and/or Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association. All our directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Changes in Board of Directors in the last three years

The changes in the Board of Directors of the Company in the last three years are as under:

Name of the Director	Date of Change	Reasons for change
Mr. Sudhakar S. Shetty	July 31, 2006	Withdrawn as Nominee Director
Dr. Kalimohan J. Bhattacharya	July 31, 2006	Appointed as Additional Director
Dr. Ram Kishore B. Mangal	July 31, 2006	Appointed as Additional Director
Prof. Venkateshwaran H. Iyer	July 31, 2006	Appointed as Additional Director
Mr. Vasudeva V. Kamath	April 26, 2007	Appointed as Additional Director

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Guidelines in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges. Our Company undertakes to adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges prior to listing.

At present, our Company has constituted the following committees of the Board:

Audit Committee

The Audit Committee of our Board was constituted at our Board meeting held on August 12, 2006. The Audit Committee currently consists of the following three Directors:

- | | | | |
|----|-------------------------------|---|----------|
| 1. | Dr. Kalimohan J. Bhattacharya | - | Chairman |
| 2. | Prof. Venkateshwaran H. Iyer | - | Member |
| 3. | Mr. Devarshi D. Buch | - | Member |

The terms of reference of the Audit Committee were decided at our Board meeting held on August 12, 2006 and the same are as follows:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors
- 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 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements
 - Disclosure of any related party transactions;

- (7) Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
 - Monitoring the use of the proceeds of the proposed initial public offering of the Company.
 - Reviewing, with the management, 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.
 - Discussions with internal auditors on any significant findings and follow up thereon.
 - Reviewing internal audit reports in relation to internal control weaknesses
 - Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
 - 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 nonpayment of declared dividends) and creditors.
 - To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.

Shareholders' / Investors' Grievance Committee:

The Shareholders'/Investor Grievance Committee of our Board was constituted at our Board meeting held on August 12, 2006. The Investor Grievance Committee currently consists of the following three Directors:

- | | | | |
|----|-------------------------------|---|----------|
| 1. | Prof. Venkateshwaran. H. Iyer | - | Chairman |
| 2. | Dr. RamKishore B. Mangal | - | Member |
| 3. | Mr. Avinash C. Pitale | - | Member |

The terms of reference of the Shareholders'/Investors' Grievance Committee were decided at our Board meeting held on August 12, 2006 and the same are as follows:

“To allot the equity shares of the Company, and to supervise and ensure

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- ii. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- iii. Issue of duplicate / split / consolidated share certificates;
- iv. Allotment and listing of shares;
- v. Review of cases for refusal of transfer / transmission of shares and debentures;
- vi. Reference to statutory and regulatory authorities regarding investor grievances;
- vii. And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances”.

Share Transfer Committee

The Share Transfer Committee, under the Shareholders'/Investors' Grievance Committee of our Board was constituted at our Board meeting held on August 12, 2006. The Share Transfer Committee, currently consists of the following three Directors:

- | | | | |
|----|-------------------------------|---|----------|
| 1. | Mr. Atul M. Hemani | - | Chairman |
| 2. | Dr. RamKishore B. Mangal | - | Member |
| 3. | Dr. Kalimohan J. Bhattacharya | - | Member |

The terms of reference of the Share Transfer Committee were decided at our Board Meeting held on August 12, 2006 and the same are as follows:

- Giving effect of and approving transfer of Share / Debentures of the Company.
- Giving effect of and resolving dispute of transfer and transmission, with or without legal representation, of Shares / Debentures/ other securities.
- Taking note of dematerialization of shares.
- Review of Beneficial holders position from time to time and to give instructions to the Company Secretary, Registrar to the Company, Depositories viz. NSDL, CDSL etc.
- To delegate powers to the executive of the Company or Share Transfer Agents to process Share Transfers etc.
- Any other task assign by Board from time to time.

Compensation Committee

The Compensation Committee of our Board was constituted at our Board meeting held on August 12, 2006 . The Compensation Committee currently consists of the following three Directors:

- | | | | |
|----|-------------------------------|---|----------|
| 1. | Dr. Ram Kishore B. Mangal | - | Chairman |
| 2. | Dr. Kalimohan J. Bhattacharya | - | Member |
| 3. | Prof. Venkateshwaran H. Iyer | - | Member |

The terms of reference of the Compensation Committee were decided at our Board Meeting held on August 12, 2006, and the same are as follows:

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Wholetime/ Executive Directors, including pension rights and any compensation payment;
- To implement, supervise and administer any share or stock option scheme of the Company

Initial Public Offer ("IPO")Committee

The IPO Committee of our Board was constituted at our Board meeting held on July 31, 2006. The IPO Committee currently consists of the following four Directors:

1. Mr. Atul M. Hemani
2. Mr. Avinash C. Pitale
3. Mr. Devarshi D. Buch
4. Mr. Maganlal K. Hemani

The terms of reference of the IPO Committee were decided at our Board Meeting held on July 31, 2006 and the same are as follows:

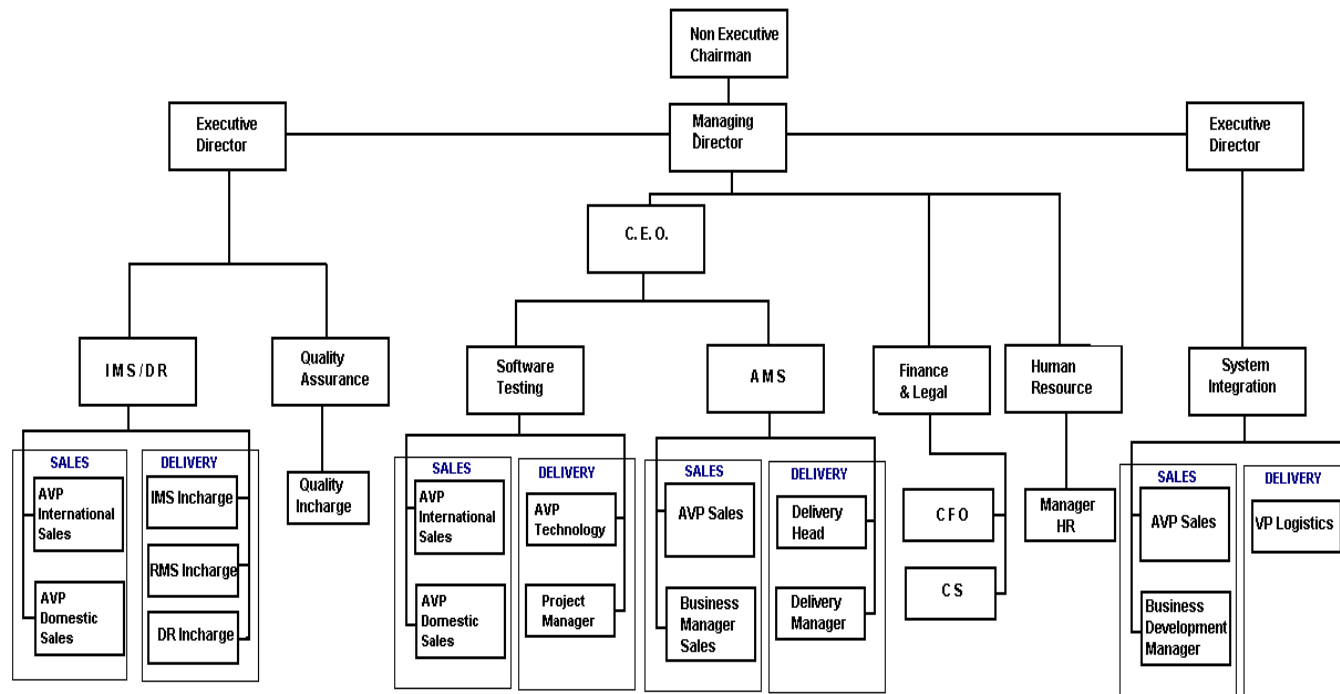
- To Appoint Merchant Bankers, Registrar to the issue, Advisor to the Issue, Lead Manager, Bankers to the Issue and any other intermediary.
- To determine/ negotiate the terms of office of appointee intermediaries.

- To determine remuneration/ compensation/ authority/ allocation of work among each intermediary.
- To execute agreement / declaration/ papers/ deed etc. on behalf of Company/ other Director and on behalf of themselves while appointing such intermediaries.
- To represent before Registrar of Companies (“ROC”), Reserve Bank of India (“RBI”), The Bombay Stock Exchange (“BSE”), The National Stock Exchange (“NSE”), Securities Exchange Board of India (“SEBI”), or any other authority as may be required from time to time.
- To Open Escrow Bank Account.
- To do and perform all such other necessary things as may be required to give effect to the IPO.
- Update members of the Board at ensuing Board Meeting about the decision taken by 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 our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 prior to listing of our Equity Shares.

Organisation Chart



Key Management Personnel:

Sr. No	Name & Address	Designation	Age (Years)	Qualifications	Total Experience in		Present profile and responsibilities	Remuneration *	Previous Employment and major projects/responsibilities handled in immediately previous employment
					Our Company	The industry			
1	Mr. Anurag Shah	C.E.O, Software Testing Division	29	B.E.(Computers), Diploma in Business Mangement	11 months	8.8 years	Overall Strategic supervision of the Testing and Application Management Division. Responsibilities include formulating business strategies for International marketing, building technology solutions and innovative services.	24.00 Lacs	Prior to ESI, he was with IBM and CBay Systems. He has been instrumental in designing and developing online portal for providing transcription services.
2	Mr. Dhansingh Thakur	Vice President-Logistics	39	B.Com, L.L.B	16.8 Years	20.8 years	Handling logistics and Purchase department	4.29 Lacs	Coast Guard as Stores In charge.
3	Mr. Sanjay Mishra	Associate Vice President - International	30	B.Sc	3. 8 Years	8.8 years	Responsible for development of International Business for Application Management Services	5.80 Lacs	Assistant Manager-Business Development with Opel Systems and Consultants Pvt Ltd. Established dealer network – profit center in more than five centers of the country and in South Asian countries like Nepal and Sri Lanka.

					Total Experience in				
Sr. No	Name & Address	Designation	Age (Years)	Qualifications	Our Company	The industry	Present profile and responsibilities	Remuneration *	Previous Employment and major projects/responsibilities handled in immediately previous employment
4	Mr. Prashant Purohit	Associate Vice President - Testing Services	34	Economics Graduate and International Diploma in computer systems from Manchester, U.K	11 months	13.8 years	Responsible for Business Development of the Testing Services Division for the I T Segment.	6.98 Lacs	Territory Manager in Concourse, wherein he has successfully launched and supported branches in Kolhapur, Ranchi, Dhanabad, Vashi .
5	Mr. Mitesh Dhruv	Associate Vice President - Testing Services - International	32	B.E. (Electronics), Masters in Financial Management	11 months	7.8 years	Responsible for Business Development of the Testing Services Division Cluster and BFSI segment.	6.98 Lacs	Developer at Lexite.com. He has developed a well based shippment tracking system.
6	Mr. Amit Abhyankar	Associate Vice President - Strategy Sales	39	B.E.(Electronics) and Master of Administrative Management	10 months	16.8 years	Responsible for Business Development and Strategic Planning and Management Activities for OmniMonitor and ERP Business	4.80Lacs	Partner in M/s Aryavart Technologies, wherein he was involved in strategic planning.
7	Mr. Nitin Purohit	Associate Vice President - Technology	27	B.Sc. Certified Software Test Engineer. Microsoft Certified Professional	11 months	7.8 years	Responsible planning and execution of international and domestics testing projects	6.98 Lacs	Trainer with NIIT. Taught advanced Java reflection and collections. APIS, COBRA, BEANS

					Total Experience in				
Sr. No	Name & Address	Designation	Age (Years)	Qualifications	Our Company	The Industry	Present profile and responsibilities	Remuneration paid in FY 06-07 *	Previous Employment and major projects/responsibilities handled in immediately previous employment
9	Mr. Amit Agrawal	Manager - Software Sales	33	Master of Business administration (Marketing)	2.8 Years	8.8 years	Business development, acquiring new clients with domain expertise in ERP and SCM based applications, instrumental in promoting Omnimonitor.	6.00Lacs	Marketing manager in M/S Financial Technologies (India) Limited. Whereby he was instrumental closing sales opportunity with leading financial institutions.
10	Mr. Amit Patil	Business Development Manager- Services	31	B.Com	6.8 years	7.1 years	Responsible for Business Development of IMS and DR Services	3.50 Lacs	ICICI Capital as Marketing Officer.
11	Mr. Rushabh Patel	Manager Business Development	26	BBA, PGD in Investment and Financial Analysis	3 years 2 months	56.1 years	Responsible for Buiness Support and Consulting Services for International Business	5.00 Lacs	Manager - Business Planning & Operation with Gateway Nintech Pvt. Ltd. wherein he provided consulting services.
12	Mr. Rajesh Bhosale	Manager - Field Services	33	B.Com.	8.8 years	8.8 years	Responsible for offering Installation, Integration and Troubleshooting Management Services to the customers	3.14 Lacs	Shri Vishal Data Systems as Customer Support Executive
13	Mr. Anil Singh	Manager-IMS Services	33	Diploma in Industrial Electronics	1.2 years	10.8 years	Responsible for Setting up and managing complete IMS Team. Identifying critical Information Systems and ensure adherence to Quality Control norms	2.76 Lacs	Proprietor of Infomedia which was into IT Infrastructure Management. He was instrumental in providing IT Management services.

Sr. No	Name & Address	Designation	Age (Years)	Qualifications	Total Experience in		Present profile and responsibilities	Remuneration	Previous Employment and major projects/responsibilities handled in immediately previous employment
					Our Company	The Industry			
14	Ms. Farzana Adenwalla	Manager-Human Resources	25	M.B.A. (H.R and Marketing)	2 years 11 months	3.8 years	Responsible for Functional and Strategic HR related Activities. Has been instrumental in setting up the Performance Evaluation System	3.65 Lacs	Customer Support Executive with BPL Mobile Service Provider. She was instrumental in completing global opportunity and treat analysis in Switzerland.
15	Mr. Gaurav Sharma	Company Secretary	23	M Com, CS	8 months	2 years 10 months	Responsible for handling all legal functions of business and acting as a compliance officer on behalf of the Company	3.28 Lacs	Lovi Mehrotra & Associates, Chartered Accountants as CS, conducting concurrent internal audit of depository participants.
16	Mr. Hrishikesh Joshi	Software Delivery Head	32	B.E. (Electronics & Telecom)	7 months	9 .8 years	Responsible under Application Management Division	10.16 Lacs	Cap Gemini Consulting as Manager – Delivery Manager for EAI and Billing System. He has designed and developed core EAI systems-components.

All the persons named as our Key Managerial Personnel are the permanent employees of our Company.

Relationship of our Key Managerial Personnel with our Promoters, Directors and other Key Managerial Personnel

Except for:

- (i) Mr. Atul M Hemani and Mrs. Amisha A Hemani, who are related to each other as husband and wife;
- (ii) Mr. Avinash C Pitale and Mrs. Shubhangi A. Pitale, who are related to each other as husband and wife; and
- (iii) Mr. Maganlal K. Hemani, who is the father of our Promoter and Managing Director, Mr. Atul M. Hemani and father-in-law of Mrs. Amisha A. Hemani, our Promoter

none of our other Key Managerial Personnel are related to any of our Promoters, Directors or other Key Managerial Personnel of our Company.

Details of Shareholding of our Key Managerial Personnel in our Company

None of our Key Managerial Personnel hold any shares in our Company except Mr. Anurag Shah who is holding 1000 Equity Shares on the date of filing the Red Herring Prospectus. None of our Key Managerial Personnel are related to either any Promoters or Directors or any other Key Managerial Personnel.

Bonus or Profit Sharing Plan for the Key Managerial Personnel

We have developed a structured incentive programme including a performance linked variable pay structure for our employees. Our company's compensation for employees has a variable component that is linked to the corporate and individual performance. Save and except the variable components to the key managerial personnel there is no bonus or profit sharing plan for the key managerial as on the date of the Red Herring Prospectus.

Changes in the Key Managerial Personnel

Sr.No	Name	Designation	Date of Change	Reasons for change
1	Mr. Gaurav Sharma	Company Secretary	September 25, 2006	Appointed
2	Mr. Amit Abhyankar	Associate Vice President - Strategy Sales	August 16, 2006	Appointed
3	Mr. Prashant Purohit	Associate Vice President - Testing Services	July 1, 2006	Appointed
4	Mr. Nitin Purohit	Associate Vice President – Technology	July 1, 2006	Appointed
5	Mr. Mitesh Dhruv	Associate Vice President - Testing Services – International	July 1, 2006	Appointed
6	Mr. Anurag Shah	C.E.O, Software Testing Division	July 1, 2006	Appointed
7	Mr. Anil Singh	Manager-IMS Services	March 1, 2006	Appointed
8	Mr Rushabh Patel	Manager - Business Development	February 23, 2006	Appointed
9	Mr. Sudhir Bhuta	General Manager - Operations	November 30, 2005	Resigned
10	Mr. Rajiv Gandhi	Sr. Manager – Finance	August 24, 2005	Resigned
11	Mr. Dharmesh Naik	Asst. Vice President - Services	July 30, 2005	Resigned
12	Mr. Nalin Mehta	Vice President - Marketing	March 31, 2005	Resigned
13	Mr. Amit Agrawal	Manager –Software Sales	November 3, 2004	Appointed
14	Ms. Farzana Adenwalla	Manager - Human Resources	May 10, 2004	Appointed
15	Mr. Sayed Seed Ahmed	Project – Manager	October 26, 2006	Resigned
16	Mr. Hrishikesh Joshi	Software Delivery Head	November 6, 2006	Appointed

Interest of Directors and Key Managerial Personnel

Save and except as stated otherwise, in the Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or are intended to be given to any of our Directors or Key Managerial Personnel except the normal remuneration for services rendered as Directors/Officers or Employees. For further details please refer to section please refer to section titled “History and Other Corporate Matters” beginning on page 102 of the Red Herring Prospectus.

Employees



At the meeting of the Board held on June 29, 2006, a Trust has been constituted for the benefit of our existing and future employees, including Directors who are full time executives in the name OMNITECH EMPLOYEES WELFARE TRUST” (“the Trust”). Our Company has granted an interest free loan to the Trust for acquisition of 100000 Equity Shares on May 4, 2006, from Canbank Venture Capital Fund Limited at the rate of Rs.32.90 per share. Pursuant to the allotment of bonus shares at the Board Meeting held on September 2, 2006, in the ratio of, 1 : 2 the current shareholding of the Trust in our Company is 150000 Equity Shares. The primary object of the Trust is to use the Trust Funds for the benefit of Eligible Employees (as defined in the Trust Deed). This Trust Deed also has provisions for transfer of shares held by the Trust to Eligible Employees, and mechanism in relation thereto.



OUR PROMOTERS

The promoters of our Company are :

1. Mr Atul M. Hemani ;
2. Mr Avinash C. Pitale ;
3. Mr Devarshi D. Buch;
4. Mrs.Amisha A. Hemani
5. Mrs. Shubhangi A. Pitale

The brief profile of our promoters is as follows:

	<p>Mr. Atul M. Hemani, aged 43 years, a B.E. (Electrical) from University of Mumbai having an experience of over 20 years in the IT industry. He is a co-founder of our Company and had worked for two years with Hindustan Computer Limited (HCL), prior to promoting this Company. He is responsible for overall business strategy and direction of the organization. He has undergone various soft skills programmes. He has been instrumental in tying up business relationships with HP, CA and IBM. As Managing Director, he provides strategic direction to the Company and currently focuses on designing international business strategy and promotion of outsourcing services in the areas of infrastructure management, application development and software testing.</p> <p>The personal details of Mr. Atul M. Hemani are as under:</p> <table><tr><td>Driving License no.</td><td>:</td><td>85/K/2749</td></tr><tr><td>Passport Number</td><td>:</td><td>A3577081</td></tr><tr><td>PAN Number</td><td>:</td><td>AAFPH5578P</td></tr><tr><td>Voter ID</td><td>:</td><td>MT/07/050/094552</td></tr><tr><td>Bank Account Number</td><td>:</td><td>5-220072-117, Citi Bank N.A. Fort Branch, Mumbai</td></tr></table>	Driving License no.	:	85/K/2749	Passport Number	:	A3577081	PAN Number	:	AAFPH5578P	Voter ID	:	MT/07/050/094552	Bank Account Number	:	5-220072-117, Citi Bank N.A. Fort Branch, Mumbai
Driving License no.	:	85/K/2749														
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PAN Number	:	AAFPH5578P														
Voter ID	:	MT/07/050/094552														
Bank Account Number	:	5-220072-117, Citi Bank N.A. Fort Branch, Mumbai														
	<p>Mr. Avinash C. Pitale, aged 44 years, a B.E. (Electrical) from University of Mumbai has experience of over 20 years in the IT industry. He has completed a course in BS15000 and is a DRI certified professional. He has a rich experience of service delivery on various hardware and software platforms and has undergone various soft skills programmes. He is also a co-founder of our Company and had worked for three years with Hindustan Computer Limited (HCL), prior to promoting this Company. He is responsible for conceptualisation, execution and delivery model set up for various services viz. infrastructure management services and disaster recovery services. He is also responsible for setting up business processes and policies and overall quality initiatives for the organization. His areas of specialization are business continuity planning and infrastructure management services. Currently, he focuses on building NOC based remote management services.</p> <p>The personal details of Mr. Avinash C. Pitale are as under:</p> <table><tr><td>Driving License no.</td><td>:</td><td>26456</td></tr><tr><td>Passport Number</td><td>:</td><td>E7002511</td></tr><tr><td>PAN Number</td><td>:</td><td>ABZPP3138Q</td></tr><tr><td>Voter ID</td><td>:</td><td>Not Available.</td></tr><tr><td>Bank Account Number</td><td>:</td><td>5-220066-117, Citi Bank N.A. Fort Branch, Mumbai</td></tr></table>	Driving License no.	:	26456	Passport Number	:	E7002511	PAN Number	:	ABZPP3138Q	Voter ID	:	Not Available.	Bank Account Number	:	5-220066-117, Citi Bank N.A. Fort Branch, Mumbai
Driving License no.	:	26456														
Passport Number	:	E7002511														
PAN Number	:	ABZPP3138Q														
Voter ID	:	Not Available.														
Bank Account Number	:	5-220066-117, Citi Bank N.A. Fort Branch, Mumbai														

	<p>Mr. Devarshi D. Buch, aged 42 years, a B.E. (Electrical) from University of Mumbai has experience of over 20 years in the IT industry. He has undergone various presales and technical certification programmes. He is a certified executive and has the following certifications</p> <ul style="list-style-type: none"> • Intel Certified Solutions Specialist; • Compaq Technical Certified Engineer; • Compaq Storage Works; • Cisco Certified Network Associate; • Cisco Systems Design Associate; • Cisco Router Configuration; • Customer support Certification for Compaq; • LAN-WAN Integration-Core Technologies; • Microsoft-Sales Certification. <p>Prior to joining our Company in 1994, he was working with Minicomp Limited as Project Manager. His areas of specialization are sales of solutions/technologies and products, execution of turnkey projects, providing of IT consultancy in the areas of enterprise computing, connectivity solutions and server-based solutions, DR planning, securities solutions and many more. He is responsible for developing domestic business in the area of system integration and services.</p> <p>The personal details of Mr. Devarshi D. Buch are as under:</p> <p>Driving License no. : 87-C-29531 Passport Number : F3094455 PAN Number : AAEPB8698M Voter ID : MT/07/050/033801 Bank Account Number : 5-220084-118,Citi bank, N.A.Fort Branch, Mumbai</p>
	<p>Mrs. Amisha A. Hemani, aged 42 years. She is a director in Wintel Computers Private Limited. She has experience of over 15 years in business administration and management. She has been responsible for business strategy and new business initiatives. She is instrumental in developing business relationships for future business growth.</p> <p>The personal details of Mrs. Amisha A. Hemani are as under:</p> <p>Driving License no. : C-21994 Passport Number : B 5331586 PAN Number : AAJPH1738F Voter ID : MT/07/050/094553 Bank Account Number : SB 45827, Bombay Mercantile Co-operative Bank, Mohd. Ali Road branch, Mumbai.</p>
	<p>Mrs. Shubhangi A. Pitale, aged 40 years, is a Commerce graduate from University of Mumbai. She is a director in Wintel Computers Private Limited. She is responsible for handling finance and accounts, apart from overall management functions. She is responsible for setting up Management Information System.</p> <p>The personal details of Mrs. Shubhangi A. Pitale are as under:</p> <p>Driving License no. : 2816 Passport Number : B 5336136 PAN Number : AAXPP0390F Voter ID : MT/10/053/0474283 Bank Account Number : SB 45824, Bombay Mercantile Co-operative Bank, Mohd. Ali Road branch, Mumbai</p>

We confirm that the Permanent Account Number, Passport Number and Bank Account Number of all the above individual promoters have been submitted to BSE and NSE at the time of filing the Red Herring Prospectus with them.

OUR PROMOTER GROUP COMPANIES

OMNITECH TECHNOLOGIES LIMITED [“OTL”]

OTL was incorporated on May 17, 1999, at Maharashtra, Mumbai, having registration number 11-119894 . The object for which the company is incorporated is to undertake business related to IT and IT products. However, the company has not commenced its business.

The Registered office of OTL is situated at 503-H, Kukreja Complex, Opp. Jain Temple, Bhandup (W), Mumbai-400 078.

The Shareholding Pattern of OTL as on May 31, 2007 is as follows :

Name of the Shareholder	No. of Shares	%age of shareholding-
Mr. Maganlal K. Hemani	8300	16.60
Mr. Atul M. Hemani	8300	16.60
Mr. Avinash C. Pitale	8400	16.80
Mrs. Vanita M. Hemani	8300	16.60
Mrs. Amisha A. Hemani	8300	16.60
Mrs. Shubhangi A. Pitale	8300	16.60
Mr. Devarshi D. Buch	100	0.20
TOTAL	50000	100

The Board of Directors of OTL as on May 31, 2007 comprises of the following Directors :

Name of Director	Designation
Mr. Maganlal K. Hemani	Director
Mr. Atul M. Hemani	Director
Mr. Avinash C. Pitale	Director

The Financial highlights of OTL for the last three years are as under: (Rs. in Lacs)

Particulars	FY 2007	FY 2006	FY 2005
Total Income	0	0	0
Profit After Tax	(0.01)	0	0
Equity Share Capital (Face Value of Rs.10/- per share)	5.00	5.00	5.00
Reserves and Surplus*	(0.88)	(0.87)	(0.82)
Earning Per Share (EPS)	0	0	0
Book Value Per Share	8.24	8.25	8.35

* Adjusted for Miscellaneous Expenditure

WINTEL COMPUTERS PRIVATE LIMITED (“WCPL”)

WCPL was incorporated on July 27, 1998, having registration number 11-115976 of 1998. WCPL is engaged in the business of IT and IT related products.

The registered office of the company is situated at A/510, Byculla Service Industries, Sussex Cross Road, Byculla (E), Mumbai – 400 027.

The Shareholding pattern of WCPL as on May 31, 2007, is as follows :

Particulars	Equity Shares of F.V. Rs.10/-	
	Number of Shares	%Age of Shareholding
Mrs. Amisha A. Hemani	5000	50.00
Mrs. Shubhangi A. Pitale	5000	50.00
TOTAL	10000	100

The Board of Directors as on May 31, 2007 comprise of the following Directors:

Name of Director	Designation
Mrs. Amisha A. Hemani	Director
Mrs. Shubhangi A. Pitale	Director

The financial highlights for the last three years are as under: Rs. in lacs :

Particulars	2006-07	2005-06	2004-05
Total Income	526.00	255.92	364.50
Profit After Tax	35.61	2.84	0.31
Equity Share Capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)	43.92	8.32	5.48
Earning Per Share (EPS) (Face Value of Rs.10)	356.08	28.35	3.10
Book Value Per Share*	449.10	92.87	64.38

* Adjusted for Miscellaneous Expenditure

Common Pursuits

Except under the chapter titled “Our Promoters Group Companies” beginning on page 129 of the Red Herring Prospectus, none of our promoters or our group companies are engaged in similar business as our Company.

Interest of the Promoters

The Promoters of our Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits and their shareholding in our Company. For further details please refer to chapters titled “Our Management” beginning on page 110 of the Red Herring Prospectus.

Companies with which the Promoters have disassociated in the last three years

Two of our Promoters, Mrs. Amisha A. Hemani and Mrs. Shubhangi A. Pitale, alongwith Mr.Sudhir Seth had promoted Multiventure Infotech Private Limited (“Multiventure”) on June 23, 1997, with the object of carrying on business in IT and IT related products.

On mutual agreement, and for reasons of other commitments, vide Memorandum of Understanding dated September 30, 2005, Mrs. Amisha A. Hemani and Mrs. Shubhangi A. Pitale have disassociated from Multiventure.

RELATED PARTY TRANSCATIONS

There have been no sales or purchases between our Company and companies in the Promoter Group exceeding in value in the aggregate 10% of the total sales or purchases of our Company, except those transactions mentioned under the section titled “Financial Statements” beginning on page 134 of the Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements, and overall financial requirements. The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

The Company has declared equity dividend in the last five years as detailed below:

	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002
Equity Shares (Face Value of Rs.10/- each)	@10% on the equity share capital amounting to Rs.6049630/-	@ 2.5% on the equity share capital amounting to Rs.1512408/-	NIL	@ 5% on the equity share capital amounting to Rs 3024815/-	NIL

For the year ended March 31, 2007, our board has recommended dividend @10% on the outstanding equity share capital as on March 31, 2007 amounting to Rs. 94,05,950/-. The same is subject to approval of the shareholders in the Annual General Meeting.

RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

As on the date of filing this Prospectus with SEBI, our Company has availed of secured loan funds, for the purposes of construction of our Technology Centre. The details of which are as follows :

Total Term Loan Amount : Rs 450 Lacs to finance the construction of our Technology Centre

Our company has executed a Composite Hypothecation Deed dated December 23, 2005, with UTI Bank Ltd., on such terms and conditions as described more particularly in the Sanction letter No. UTIB/ANDH/PS/905/2005-06 dated December 21, 2005.

The repayment schedule is as follows:

Sr.No	Nature of Facility	Amount of Loan	Tenure of Loan	Repayment starting from	Re-Payment terms
1	Term Loan - I	200 Lacs	60 months	April 30, 2005	60 equal monthly installments .
2	Term Loan – II	250 Lacs	55 months	April 5, 2006	54 monthly installments of Rs.4.63 Lacs each

UTI Bank Limited has vide their sanction letter No. UTIB/ANDH/PS/ / 2006-07 dated December 23, 2006, enhanced the working capital facilities of the Company. As per the sanction letter the Company would now enjoy Cash Credit facility of Rs.700 Lacs; Letters of Credit and Bank Guarantee credit limits of Rs.300 Lacs each.

The Company has executed a Supplementary Deed of Hypothecation dated January 9, 2007, with UTI Bank Ltd., on such terms and conditions as described more particularly in the Sanction letter No. UTIB/ANDH/PS/ / 2006-07 dated December 23, 2006,

All the above referred loan facilities are secured by way of :

- First charge on *pari passu* basis by way of equitable mortgage on immovable properties of our Company ;
- A first charge on *pari passu* basis by way of hypothecation of all the moveable fixed assets of our Company including movable machinery, machinery spares, tools and accessories both present and future, except cars taken on loan or hire;
- Extension of hypothecation charge over the entire current assets of our Company, including receivables and stocks, present and future;
- Extension of first charge by way of equitable mortgage of residential flat at Bhandup west;
- Personal guarantees of our Promoter Directors, Mr. Atul M. Hemani and Mr. Avinash Pitale, and one of our Promoter Mrs. Shubhangi A. Pitale

As per the composite term loan agreement and the supplementary deed of hypothecation, we require prior written consent from the lenders, for certain activities, amongst others, including as mentioned below:

- to enter into any scheme of merger, amalgamation, compromise or reconstruction ;
- Permit any material change in the legal and beneficial ownership;
- to effect any material change in the management of our Company ;
- Agree to any change in the constitutional documents;
- Permit any encumbrance (other than those permitted) to subsist, arise or be created or extended over all or any part of any of our present or future undertakings, rights, assets or actionable claims, which constitute security/ies to the Bank, to secure or prefer any present or future indebtedness, liability or obligation of any of the Borrower's or any other person
- Declare any dividend more than the net profit for the year;
- Implement any scheme of expansion or acquire fixed assets of substantial value

Pursuant to the aforesaid we have received consent from UTI Bank Limited for this issue vide their letter dated September 22, 2006

SECTION V: FINANCIAL STATEMENTS

FINANCIAL INFORMATION AND AUDITORS REPORT

RESTATED FINANCIAL STATEMENTS AS PER INDIAN GAAP

AUDITORS REPORT

To,
The Board of Director's
M/s. Omnitech Infosolutions Ltd
Omnitech House,
A/13, Cross Road, No 5, Kondivita Road, Marol,
M.I.D.C. Andheri (East), Mumbai – 400093.

Subject : Your Proposed Public Issue

Dear Sir,

- a. We have examined the accounts of M/s Omnitech Infosolutions Limited ('the Company') for the four financial years ended 31st March 2007, 31st March 2006, 31st March 2005 and 31st March, 2004 being the last date to which the accounts of the company have been made up and audited by us for presentation to the members of the Company & audited by us for the purpose of disclosure in the Offering Memorandum being issued by the Company in connection with the public issue of equity shares. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these accounts based on our audit. The accounts of the Company for the year ended 31st March 2003 has been audited by M/s. J J Sumaria & Co. Chartered Accountants.

We have accepted the relevant accounts in respect of M/s. Omnitech Infosolutions Limited , as prepared and approved by the Board of Directors , for the financial year ended 31st March 2003 audited by M/s. J J Sumaria & Co. Chartered Accountants.

For the financial year ended March 31, 2007 the accounts are audited by us and approved by the Board of Directors but yet to be approved by the members.

- b. In accordance with the requirements of
- (I) Paragraph B (1) of Part II of Schedule II to the Companies Act 1956 (the Act);
 - (II) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the SEBI Guidelines") issued by the Securities and Exchange Board of India Act, 1992 and related amendments and,
 - (III) Our terms of reference with the Company dated 8TH August 2006, requesting us to carry out work in connection with the Offer Document as aforesaid,

We have examined the following financial Information relating to the Company proposed to be included in the Offer Document , as approved by you and annexed to this report :

- 1. The restated profits of the Company for the financial years ended 31st March 2007, 2006, 2005, 2004, 2003, are as set out in Annexure I to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the Notes appearing in Annexure I to this report.

2. The restated assets and liabilities of the Company as at 31st March, 2007, 2006, 2005, 2004, 2003, are as set out in Annexure II to this report after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the Notes appearing in Annexure III to this report.
3. Statement of Cash Flow enclosed as Per Annexure IV.
4. Statement of Reserves and Surplus as appearing in Annexure V.
5. Details of secured loans and unsecured loans as appearing in Annexure VI to this report.
6. Age wise analysis of Sundry Debtors as appearing in Annexure VII
7. Details of Loans and Advances as appearing in Annexure VIII.
8. The rates of dividends paid by the Company in respect of the financial years ended 31st March 2007, 2006, 2005 and 2003 are as shown in Annexure IX to this report.
9. Details of Income from Operations and Other Receipts as appearing in Annexure X.
10. Accounting Ratios as appearing in Annexure XI to this report.
11. Capitalization Statement as at 31st March 2007 as appearing in Annexure XII to this report.
12. Details of transaction with related parties (Related parties within the meaning of “Accounting Standard issued by , The Institute of Chartered Accountants of India “) enclosed as per Annexure XIII to this report.
13. Statement of Contingent Liability as appearing in Annexure XIV.
14. Statement of tax shelters as appearing in Annexure XV to this report.
15. There are no qualifications in the auditor’s reports that require any adjustments to the summary statements, apart from that stated in Annexure III , Point No 4 of Restated Notes to accounts.
16. There are no extra-ordinary items that need to be disclosed separately in the summary statements. In respect of financial information contained in this report, we have relied upon the audited financial statements for the year ended 31st March 2003 which were audited by the Chartered Accountant other than us, as referred to above.

In our opinion the above financial information of the company read with significant accounting policies attached in Annexure III to this report, after making adjustments and re-grouping as considered appropriate has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

This report is intended solely for your information and for inclusion in the Offering Memorandum in connection with the specific Public Offer of equity shares of the Company and is not to be used, referred to or distributed for any other purpose, without our written consent.

Yours Faithfully,
M/s. Kothari & Kenia
Chartered Accountants.

Partner
Nailesh R. Kothari.
Membership No : 42367.
Date : June 16, 2007

ANNEXURE I - Restated Statement of Profits and Losses					(Rs. in Lacs)
Year Ended on	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Income					
Income From Operations	7,763.78	5,409.37	4,651.01	4,005.48	4,511.44
Other Income	15.91	6.55	15.52	16.46	11.66
Total Income	7,779.69	5,415.92	4,666.53	4,021.94	4,523.10
Expenditure					
Cost of Sales and Services	5,050.47	3,960.70	3,718.93	3,269.13	3,882.59
Employees Remuneration and Benefits	448.13	267.93	329.32	274.23	238.67
Administrative and Other Expenses	335.46	185.17	184.54	121.44	88.93
Selling and Distribution Expenses	144.48	60.61	49.99	52.24	44.31
Financial Expenses	157.61	93.47	59.46	42.63	22.86
Loss/(Profit) on Sale of Fixed Assets	(6.84)	2.14	-	-	-
Miscellaneous Expenditure Written off	12.71	3.81	4.56	4.56	4.56
Depreciation	288.25	201.14	172.21	144.37	108.84
Total Expenditure	6,430.27	4,774.97	4,519.01	3,908.60	4,390.75
Net Profit before Tax	1,349.42	640.95	147.52	113.34	132.35
Less : Provision for Taxation - Current	90.30	20.00	29.00	21.00	18.75
Less : Provision for Fringe Benefit Tax	7.70	5.00	-	-	-
Less : Provision for Deferred Tax	32.04	(8.80)	19.37	15.80	33.40
Profit for the year	1,219.38	624.74	99.15	76.55	80.20
Less : Provision for Taxation - Previous years	1.57	-	(1.52)	5.03	2.63
Net Profit after Tax	1,217.81	624.74	100.67	71.52	77.57
Adjustments: Adjustments on account of restatements	(34.58)	128.70	(66.71)	(36.86)	13.13
(as per note 5 of Notes to accounts to restated financial statements)					
Profit for the year as restated available for appropriation	1,183.23	753.44	33.96	34.65	90.70
Add : Profit brought forward	810.85	126.39	109.53	74.87	153.95
Less : Deferred Tax Liability	-	-	-	-	113.68
Less : Proposed Dividend	94.06	60.50	15.12	-	27.57

Less : Dividend Tax	15.99	8.48	1.98	-	3.53
Less : Amount Utilized for Bonus Issue	47.69				
Less : Amount Transferred to General Reserves	-	-	-	-	25.00
Balance carried forward to Balance Sheet	1,836.34	810.85	126.39	109.53	74.87
Note: The above should be read with Notes to Statements of Profits and Losses and Assets and Liabilities, as Restated and Accounting policies, as appearing in Annexure III					

ANNEXURE II - Restated Statement of Assets and Liabilities						
						(Rs in Lacs)
A	Assets As At	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
	Fixed Assets					
	Gross Block	2,832.64	1,976.59	1,449.94	1,128.18	823.32
	Less : Accumulated depreciation	880.18	720.67	549.00	376.79	231.40
	Net Block	1,952.46	1,255.93	900.93	751.40	591.91
	Capital Work in Process incl. Cap Advances	-	8.44	203.88	6.90	-
	Total	1,952.46	1,264.37	1,104.81	758.30	591.91
B	Investments	96.79	4.35	4.35	4.35	1.04
C	Current Assets, Loans and Advances					
	Receivables	2,535.67	1,474.13	937.56	791.79	574.48
	Cash & Bank Balance including					
	Bank Deposits	38.75	179.91	185.82	270.34	393.85
	Inventories	231.76	173.76	340.90	131.54	103.82
	Loans and Advances	229.82	46.88	24.51	24.65	28.63
	Total	3,036.00	1,874.68	1,488.80	1,218.32	1,100.78
D	Liabilities and Provisions					
	Secured Loans	953.50	881.62	764.14	356.82	171.30
	Unsecured Loans	-	9.95	-	-	-
	Deferred Tax Liability	205.50	173.46	182.26	162.89	147.09
	Current Liabilities	677.97	346.54	657.57	459.53	398.75
	Provision for Expenses	63.01	34.03	32.21	53.92	22.22
	Provision for Income Tax (Net)	30.83	(38.22)	(34.09)	(9.54)	5.15
	Provision for Dividend	94.06	60.50	15.12	-	27.57
	Provision for Dividend Tax	15.99	8.48	1.98	-	3.53
	Total	2,040.85	1,476.36	1,619.19	1,023.61	775.60
E	Net Worth (A+B+C-D)	3,044.39	1,667.04	978.77	957.35	918.13

	Represented by :					
F	Share Capital	*950.60	604.96	604.96	604.96	604.96
	* (including Share Application money of Rs. 10 Lacs)					
G	Reserves & Surplus	2,135.24	1,065.64	381.18	364.32	329.66
H	Misc Expenditure not written off	(41.44)	(3.56)	(7.37)	(11.93)	(16.49)
	Net Worth (F+G-H)	3,044.39	1,667.04	978.77	957.35	918.13
Note: The above should be read with Notes to Statements of Profits and Losses and Assets and Liabilities , as Restated and Accounting policies , as appearing in Annexure III						

ANNEXURE - III

Notes to the statement of profits and losses and assets and liabilities, as restated.

1. SHARE CAPITAL :

During the Financial Year 2002-2003, The authorized share capital of the Company was increased to 650,00,000 divided into 65,00,000 Equity Shares of Rs. 10 each pursuant to a special resolution passed at the EGM held on May 20, 2002 and during the Financial Year, the authorized share capital of the Company was further increased to 1,500,00,000 divided into 15,00,00,000 Equity Shares of Rs. 10 each pursuant to a special resolution passed at the AGM held on August 22, 2006.

2. DIRECT REVENUE /EXPENDITURE:

In the audited accounts of the Company up to financial year 2005, the Income was shown under two heads, i.e. “Product sales and services” and “ Commission and incentives”. However in the statement of profit & losses, as restated the same has been reclassified into major heads as follows:

- a. System Integration - System integration solutions comprises of supply of IT products such as computer systems and peripherals, networking equipments, packaged software, and other accessories required for server and storage consolidation and for executing projects on turnkey basis.
- b. Services – Income from services includes amount charged to the customers for maintenance, upkeep of hardware/software and sales bills raised on customers for supply of consumables & spare parts.
- c. Application development and management services include amount charged to the customers for software development and Software Testing.

Major items of expenditure has been rearranged into the following heads:

- a. Cost of Sales and Services includes purchase of computer systems and peripherals for system integration business, consumption of service spares and other direct expenses such as inward transportation, technical repairs & service charges, etc
- b. Employee remuneration and benefits includes salaries, wages and allowances, contribution to employee benefit plans and staff welfare expenses.

- c. General and Administrative expenses includes rent, rates and taxes, legal and professional charges comprising of payments made to employees on contractual basis, communication cost, traveling and conveyance, etc.
- d. Selling and Distribution expenses include cost heads such as advertisement & business promotion expenses, transportation outward, packing expenses, etc.
- e. Financial Expenses comprises cost heads such as interest, bank charges, LC charges & foreign exchange fluctuation loss

The adjustment stated above do not have any effect on the profit / losses of the Company.

3. ACCOUNTING STANDARDS:

Based on the criterion specified by “ The Institute of Chartered Accountants of India “ for applicability of the Accounting Standards, the Company has not given disclosure in the financial statements for the year ended 31st March, 2003, 31st March, 2004, 31st March, 2005, of the following:

- a. AS – 3, Cash Flow Statement;
- b. AS – 17, Segment Reporting;
- c. AS – 18, Related Party Disclosures;
- d. AS – 20, Earning Per Share;
- e. AS – 28, Impairment of Assets.

Pronounced by The Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956 as these Standards are not applicable to the Company for the year ended 31st March, 2003, 31st March, 2004, 31st March, 2005.

4. STATEMENT OF QUALIFICATION / OBSERVATION IN THE AUDITOR’S REPORT :

Financial Year : 2005-2006 :

Till the year March, 2005 the company was recognizing revenue from Annual Service Contracts and Facilities Management Services in the year of billing. However in line with Accounting Standard 9 (Revenue Recognition) of ICAI, from the year 2005-2006 revenues from this services are deferred and recognized proportionate over the period underlying the agreement. But for the change as above the revenue from services would have been higher by Rs. 24.73 lacs for the year 2005-2006.

The above qualification is a result of, change in the method of recognizing revenue from Annual Service Contracts and Facilities Management adopted by the company as compared to previous years, and in line with Accounting Standard 9 (Revenue Recognition) of ICAI . The effect of same is explained in point no 5 (a) as mentioned below.

5. (a)

(Rupees in lacs)					
Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Income of earlier year accounted in the relevant current year	NIL	42.23	82.17	31.32	35.89
Less : Income of Subsequent year reversed and accounted in current year	NIL	24.73	42.23	82.17	31.32
Effect on Profit and Loss Account	NIL	17.50	39.94	(50.85)	4.57

(b) During the FY 2005, the company had exported software worth Rs. 194.40 Lacs. The Company has called back this software since implementation of the software was held back by the buyer.

During the FY 2006, the company utilized the environment software received back from the said customer worth Rs. 64.09 lacs, and sold the same to other customer in the FY 2006. Hence the difference between the two was charged to revenue in FY 2005 in restated accounts.

(c) DETAILS OF IMPACT OF ADJUSTMENTS ON RESTATED PROFITS :

(Rupees in lacs)

Sr. No.	PARTICULARS	2007	2006	2005	2004	2003
1	Net Profit as per Audited Profit & Loss Account	1,217.81	624.74	102.24	71.52	77.57
2	Adjustment referred to in 5 (a) above	-	17.50	39.94	(50.85)	4.57
3	Net Sales Return as referred to in 5 (b) Above	-	130.31	(130.31)	-	-
4	Prior Period Expenses	0.94	0.23	(0.93)	0.02	0.81
5	TaxEffect on account of adjustments at (2) (3) & (4) above**	(35.52)	(19.34)	24.59	13.97	7.75
6	Net Effect of Restated Financial Statements	(34.58)	128.70	(66.71)	(36.86)	13.13
7	Net Profit as Restated	1,183.23	753.44	35.53	34.66	90.70

** Includes Short Provision of Income Tax.

6. RESTATED GEOGRAPHICAL SEGMENT REVENUE: (Rs. In Lacs)

Year	2007	2006	2005	2004	2003
Exports Sales	1720.00	1029.44	0.00	1.65	0.00
Local	6043.78	4379.93	4651.00	4003.83	4511.44

7. SIGNIFICANT ACCOUNTING POLICES:

1. Basis of preparation of Financial Statements

- A. The financial statements have been prepared under historical cost convention on the accrual basis of accounting in accordance with the generally acceptable accounting principles in India (GAAP) and in compliance with the Accounting Standards issued by The Institute of Chartered Accountants of India , and the provision of the Company act, 1956 as adopted consistently by the Company.
- B. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- C. The preparation of financial statements is in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

2. Revenue recognition

- A. Income in respect of system integration is recognized when the transactions are completed with passing of the title and are inclusive of sales tax , octroi and other incidental expenses as applicable.
- B. Revenue from software development is recognized in accordance of percentage of completion method and revenue from sale of licenses of software products and other products is recognized on delivery / installation, as the case may be.
- C. Revenue from IT infrastructure networking, annual service contracts and facilities management services is deferred and recognized ratably over the period of the underlying maintenance agreement.

3. Expenditure

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities. No provisions are made towards likely expenses on providing post-sales client support for fixed priced contracts as well as in respect of annual technical service contracts in so far as it pertains to the period beyond the current accounting year.

4. Fixed Assets and Depreciation

A. Fixed Assets

- a) Fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition & installation of the concerned assets.
- b) Costs that are directly associated with identifiable and unique software products controlled by the Company, whether developed in-house or acquired, and have probable economic benefits exceeding the cost are recognized as software products.
- c) Assets acquired under lease are at cost of acquisition including incidental expenses related to acquisition & installation of such assets.
- d) Advances paid towards acquisition of fixed assets and the cost of assets not ready for use as at the Balance Sheet date are disclosed under capital work-in-progress

B. Depreciation /Amortization.

- a) Depreciation is provided on Straight Line Method basis in accordance with the provisions of Section 350 of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV of Companies Act, 1956.
- b) Software Products capitalized are amortized over its useful life for a period not exceeding ten years.
- c) Leasehold assets are amortized over the period of lease.

5. Impairment of Assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for items of fixed assets carried at cost.

The recoverable amount is higher of an assets net selling price and value in use. The net selling price is the amount obtained from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset, from its disposal at the end of its useful life.

6 Inventories

Inventories are valued at lower of cost or estimated net realizable value.

7. Investments

Investments are classified into current investment and long term investments. Long term investment are valued at cost of acquisition. Provision is made to recognize a decline, other than temporary, in the value of such investments. Short term investments are stated at lower of cost or fair market value.

8. Foreign Exchange Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Realized gains and losses on settlement of foreign currency transactions are recognized in the Profit and Loss account. Foreign currency assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange difference is recognized in the Profit and Loss Account.

9. Research & Development

A. Revenue expenditure on R&D is charged of to profit & loss account in the year in which it is incurred where the Company is not certain of realizing future economic benefits from such activities.

B. Capital expenditure on R&D is included under the relevant fixed assets and depreciation thereon is provided as given in Note no.4 (B) (a) above.

10. Retirement benefits to employees

The liability for gratuity and leave encashment is accounted on actual payment basis. However, no actuarial valuation has been obtained / made as regards the gratuity and leave encashment liability as on the last date of the accounting year.

11. Borrowing Costs

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Profit & Loss Account.

12. Miscellaneous expenditure (to the extent not written off or adjusted)

Miscellaneous expenditure is amortized over a period of 5 years from the year in which it has been incurred.

13. Deferred tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the

tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

Deferred tax assets / liabilities are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized / appropriated.

14. In the opinion of the Board , the current assets, loans and advances are approximately of the value stated and are realizable in the ordinary course of business. The provisions for all known liabilities is adequate.

Previous years figures have been regrouped / rearranged wherever necessary.

ANNEXURE IV - Statement of Cash Flow from the restated financial statements					
					(Rs in Lacs)
Particulars	For the Period Ended				
	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
A Cash Flow from Operating Activities					
Net (loss) / profit before tax and extra ordinary items	1,349.42	640.95	147.52	113.34	132.35
Adjustments:					
On Account of Restatement	(34.58)	128.70	(66.71)	(36.86)	13.13
Depreciation	288.25	201.14	172.21	144.37	108.84
Finance Expenses	157.61	93.47	59.46	42.63	22.86
Interest Income	(4.49)	(3.24)	(9.83)	(15.96)	(11.58)
Miscellaneous Expenditure Written Off	12.71	3.81	4.56	4.56	4.56
Loss/(Profit) on Sale of Investments	(0.11)	-	-	-	-
Loss/(Profit) on Sale of Fixed Assets	(6.84)	2.14	-	-	-
Operating Profit before Working Capital Changes (A)	1,761.96	1,066.97	307.21	252.08	270.15
Adjustments for changes in Working Capital					
(Increase) / Decrease in Receivables	(1,061.54)	(536.57)	(145.78)	(217.30)	(56.44)
(Increase) / Decrease in Other Current Assets	(57.99)	167.14	(209.36)	(27.72)	(35.53)
(Increase) / Decrease in Loans and Advances	(182.94)	(22.37)	0.16	3.98	(13.16)
Increase / (Decrease) in Trade and Other Payables	331.43	(311.03)	198.04	60.78	35.24
Increase / (Decrease) in Provision for Expenses	31.49	1.83	(21.71)	31.70	(2.97)
(B)	(939.56)	(701.02)	(178.65)	(148.55)	(72.85)
Cash Generated from Operations (A +B)	822.40	365.95	128.56	103.53	197.30
Taxes (Paid)/Received (Net of TDS)	33.03	29.13	52.04	40.72	25.93
Net Cash From Operating Activities	789.37	336.82	76.52	62.81	171.37
B Cash Flow from Investing Activities					
Purchase of fixed assets	(1,065.68)	(581.43)	(321.75)	(303.87)	(232.85)
Proceeds from sale of fixed assets	87.72	23.15	-	-	-
Proceeds from sale of Investments	0.65	-	-	-	-
Capital Work in progress	8.44	195.43	(196.98)	(6.90)	-
Purchase of Investments	(92.97)	-	-	(3.31)	3.08
Interest Received (Revenue)	4.49	3.24	9.83	15.96	11.58
Net Cash used in Investing Activities	(1,057.34)	(359.60)	(508.90)	(298.12)	(218.20)
C Cash Flow from Financing Activities					
Proceeds from fresh issue of Share Capital	33.70	-	-	-	170.21
Proceeds from Share Premium on fresh issue of Share	298.35	-	-	-	229.79
Proceeds from Share Application Money	10.00	-	-	-	-
Preliminary Expenses	(50.59)	-	-	-	(18.57)

Net Proceeds from Long Tem Borrowings	71.88	332.72	68.30	(8.84)	12.60
Net Proceeds from Short Tem Borrowings	(9.95)	(205.28)	339.01	194.37	51.19
Dividend Paid	(60.50)	(15.12)	-	(27.57)	-
Dividend Tax	(8.48)	(1.98)	-	(3.53)	-
Finance Expenses	(157.61)	(93.47)	(59.46)	(42.63)	(22.86)
Net Cash used in Financing Activities	126.80	16.87	347.85	111.80	422.36
Net Increase / (decrease) in Cash & Cash					
Equivalents (A+B+C)	(141.16)	(5.91)	(84.52)	(123.50)	375.53
Cash and Cash Equivalents at the					
beginning of the period	179.91	185.82	270.34	393.85	18.32
Cash and Cash Equivalents at the end of	38.75	179.91	185.82	270.34	393.85
the period					

ANNEXURE V - Statement of Reserves and Surplus					
					(Rs in Lacs)
As at	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Securities Premium Account	298.35	229.79	229.79	229.79	229.79
General Reserves	0.55	25.00	25.00	25.00	25.00
Profit and Loss Account	1,836.34	810.85	126.39	109.53	74.87
Total	2,135.24	1,065.64	381.18	364.32	329.66

ANNEXURE VI - A Secured Loans					
					(Rs in Lacs)
Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
UTI BANK LTD.					
Cash Credit	329.28	162.85	228.51	-	-
Working Capital Demand Loan (INR)	300.00	100.00	100.00	-	-
Working Capital Demand Loan (FC)	-	200.00	200.00	-	-
Term Loan	316.77	410.74	70.00	-	-
KOTAK MAHINDRA FINANCE LTD					
Vehicle Loan	-	2.78	7.73	-	-
Vehicle Loan	1.40	2.23	3.01	3.75	-
Vehicle Loan	-	-	-	0.97	6.20
Vehicle Loan	-	-	-	5.36	9.51
ICICI BANK LTD					
Vehicle Loan	5.46	-	-	-	-
MAHARASHTRA INDUSTRIAL DEVELOPMENT					

CORPORATION					
Term Loan	0.59	3.02	5.31	7.67	10.03
H S B C					
Vehicle Loan	-	-	-	-	0.85
UNION BANK OF INDIA LTD.					
Cash Credit	-	-	-	266.38	-
BOMBAY MERCANTILE CO-OP					
BANK LTD					
Cash Credit	-	-	-	-	59.78
Bill Discounting	-	-	-	-	38.55
H D F C LTD.					
Bill Discounting	-	-	149.57	72.69	46.37
Total	953.50	881.62	764.14	356.82	171.30

Particulars	31.03.2007	Current Rate of Interest	Security Offered
UTI BANK LTD.			Movable and Immovable Fixed Assets of the Company comprising of Property at MIDC, Stock and Book Debts. Personal guarantees of two Directors and Residential Property of Director
Cash Credit	329.28	13%	
Working Capital Demand Loan (INR)	300.00	13%	
Term Loan	316.77	Banks Std Rate 10%	
KOTAK MAHINDRA FINANCE LTD			Respective Vehicle
Vehicle Loan	1.40		
ICICI BANK LTD			Respective Vehicle
Vehicle Loan	5.46		
MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION			Leasehold property at Navi Mumbai
Term Loan	0.59		
Total	953.50		

ANNEXURE - VI B - Unsecured Loans *					
					(Rs in Lacs)
Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
From Promoters & Promoter Group	-	9.95	-	-	-
From Others	-	-	-	-	-
	-	9.95	-	-	-
* The above loans are interest free and repayable on demand.					

ANNEXURE VII - Sundry Debtors as on					
					(Rs in Lacs)
Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
A. Debts outstanding for a period exceeding six months:					
Unsecured - Considered Good	967.53	210.58	116.51	98.33	33.09
	967.53	210.58	116.51	98.33	33.09
B. Other Debts:					
Unsecured - Considered Good	1,568.14	1,263.55	788.62	660.25	536.79
Related Parties	-	-	32.43	33.21	4.61
	1,568.14	1,263.55	821.05	693.46	541.40
Total [A + B]	2,535.67	1,474.13	937.56	791.79	574.48

ANNEXURE VIII - Loans and Advances					
					(Rs in Lacs)
Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
A. Advances Recoverable in cash or					
kind or for value to be received					
Unsecured - Considered Good	217.08	26.01	8.18	9.08	17.66
Considered Doubtful	-	-	-	-	-
Less: Provision for Doubtful Adv	-	-	-	-	-
B. Deposits	12.75	20.87	16.33	15.57	10.97
Total	229.82	46.88	24.51	24.65	28.63
Note: None of the above mentioned loans & advances are given to related to directors / promoters of the company.					

ANNEXURE IX - Statement of Rate of Dividend paid during last Six Years				
Sr. No	Year Ended	Dividend in % (on prorata basis)	No of Shares	Face Value of Equity Shares
1	31.03.2007	10%	9405950	Rs. 10/- each
2	31.03.2006	10%	6049630	Rs. 10/- each
3	31.03.2005	2.50%	6049630	Rs. 10/- each
4	31.03.2004	-	6049630	Rs. 10/- each
5	31.03.2003	5%	6049630	Rs. 10/- each

ANNEXURE X - Details of Income from Operations					
					(Rs in Lacs)
Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Income from System Integration	4,728.18	3,963.79	3,926.37	3,380.65	4,082.89
Income from Services	825.68	392.97	336.51	364.01	254.49
Income from Application development & management services	2,209.93	1,052.61	388.13	260.82	174.06
Total	7,763.78	5,409.37	4,651.01	4,005.48	4,511.44

ANNEXURE X - Details of Other Income						
						(Rs in Lacs)
Particulars	Nature of Receipts	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Interest Income	Recurring	4.49	3.24	9.83	15.96	11.58
Other Income	Recurring	11.30	3.31	5.69	0.50	0.08
Gain on sale of Investment	Non - Recurring	0.11	-	-	-	-
Total		15.91	6.55	15.52	16.46	11.66

ANNEXURE XI - Accounting Ratios					
PARTICULARS	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Basic and diluted earnings per share	14.82	12.45	0.56	0.57	1.61
Cash Earnings Per Share	19.01	15.70	3.78	3.38	4.27
Return on Net Worth (%)	38.87	45.2	3.47	3.62	9.88
Net asset value per equity share	32.37	27.56	16.18	15.82	15.18
Weighted average number of equity shares used in calculating basic and diluted earnings per share	7982483	6049630	6049630	6049630	5624098
Total number of equity shares outstanding at the end of the year / period	9405950	6049630	6049630	6049630	6049630
Note: The Ratios have been computed as below: -					

$$1 \quad \text{Basic and diluted earnings per share} = \frac{\text{Net Profit/(loss) attributable to equity shareholder}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

2	Cash Earnings Per Share	=	$\frac{\text{Net Profit / (loss) after current tax, before depreciation / amortization, deferred taxes attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$
3	Return on Net Worth (%)	=	$\frac{\text{Net Profit/(loss) after Tax}}{\text{Net Worth at the end of the period / year}}$
4	Net asset value per equity share	=	$\frac{\text{Net Worth at the end of the period / year}}{\text{Number of Equity Shares outstanding at the end of the period / year}}$

Notes:

- The above summary statement is to be read with notes to the restated summary statements and significant policies as appearing in Annexure III
- Earning per share is calculated in accordance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India.

ANNEXURE XII - Capitalization Statement		
	(Rs in Lacs)	
Particulars	Pre Issue as at 31.03.2007	Post Issue *
Debt**		
Short Term Debt	629.28	
Long Term Debt	324.22	
Total (A)	953.50	
Shareholder's Funds		
Share Capital	950.60	
Reserves and Surplus after deducting Miscellaneous Expenditure not written off	2,093.79	
Total Shareholder's Funds (B)	3,044.39	
Long Term Debt / Total Shareholder's Funds (A / B)	0.31	
Notes:		
* Information pertaining to share capital and reserves post issue can be ascertained only after completion of book building process		
** As Informed by the management, short term debts are debts repayable within one year		

ANNEXURE XIII - The Related Party Transaction are given below							
(Rs in Lacs)							
Name of the Related Party	Nature of Relationship	Nature of Transaction	Amount of Transaction				
			2006	2005	2004	2003	2002
			to	to	to	to	to
			2007	2006	2005	2004	2003
Wintel Computers Pvt Ltd	Related Party	Sales	-	-	-	28.6	-
		Purchases	-	-	-	-	-
		Dividend Paid	9.32	2.33	-	4.25	-
** Multiventure Infotech Pvt Ltd	Related Party	Sales	-	-	-	10.14	-
		Purchases	-	-	-	28.1	2.43
		Loans Taken	-	-	0.25	4.83	-
		Loans Repaid	-	-	0.25	1.4	-
Omnitech Technologies Ltd	Related Party		-	-	-	-	-
Nominee Director of Canbank Ven.Cap. Fund ltd			-	0.03	0.04	0.04	0.02
Dr.K M Bhattacharya	Independent Director	Directors Sitting Fees	0.45				
Dr. Ram K Mangal	Independent Director	Directors Sitting Fees	0.35				
V H Iyer	Independent Director	Directors Sitting Fees	0.35				
Directors Remuneration			88.47	38.11	34.6	34.58	33.05
Maganlal Hemani	Director	Directors Sitting Fees	0.15	-	0.01	-	0.01
Atul M Hemani	Directors	Loan Taken	8.35	-	-	2.3	8.82
		Loan Repaid	8.35	-	-	2.3	13.32
		Dividend Paid	12.09	2.43	-	4.43	-
Amisha A Hemani	Director's Spouse	Loan Taken	-	-	-	-	-
		Loan Repaid	-	-	-	-	0.05

		Dividend Paid	6.59	1.27	-	2.32	-
Vanita M Hemani	Director's Spouse	Loan Taken	-	-	-	-	-
		Loan Repaid	-	-	-	-	0.83
		Dividend Paid	0.10	0.03	-	0.05	-
Vidhi Atul Hemani	Director's Daughter	Dividend Paid	0.51	0.13	-	0.23	-
Nirav Atul Hemani	Director's Son	Dividend Paid	0.51	0.13	-	0.23	-
Atul Maganlal Hemani HUF	Director's HUF	Dividend Paid	0.51	0.13	-	0.23	-
Avinash C Pitale	Directors	Loan Taken	9.00	-	-	5.5	3.25
		Loan Repaid	9.00	-	-	5.5	3.7
		Dividend Paid	9.19	1.33	-	2.42	-
Shubhangi Pitale	Director's Spouse	Loan Taken	-	-	-	-	-
		Loan Repaid	-	-	-	-	0.07
		Dividend Paid	9.59	2.4	-	4.37	-
Nitesh Avinash Pitale	Director's Son	Dividend Paid	0.51	0.13	-	0.23	-
Sheetal A Pitale	Director's Daughter	Dividend Paid	0.51	0.13	-	0.23	-
Avinash C Pitale HUF	Director's HUF	Dividend Paid	0.51	0.13	-	0.23	-
Devarshi Buch	Director	Loan Taken	-	11.15	7.5	-	-
		Loan Repaid	9.95	1.2	7.5	-	-
		Dividend Paid	1.60	0.33	-	0.59	-
Beejal D Buch	Director's Spouse	Professional Fees	2.40	2.4	2.4	2.4	-
Dushyant Buch	Director's Father	Loan Taken	-	-	-	-	-
		Loan Repaid	-	-	-	-	-
** Ceased to be a related party with effect from 01.10.2005							

ANNEXURE XIII - The Related Party Transaction are given below						
(Rs in Lacs)						
Name of the Related Party	Nature of Relation Ship	Balance a the year end				
		2006	2005	2004	2003	2002
		to	to	to	to	to
		2007	2006	2005	2004	2003
Wintel Computers Pvt Ltd	Related Party	-	12.09	32.43	33.21	4.61
** Multiventure Infotech Pvt Ltd	Related Party	-	-	(20.16)	(20.19)	(0.73)
Atul M Hemani	Directors	-	-	-	-	-
Amisha A Hemani	Director's Spouse	-	-	-	-	-
Vanita Hemani	Director's Spouse	-	-	-	-	-
Avinash C Pitale	Directors	-	-	-	-	-
Shubhangi Pitale	Director's Spouse	-	-	-	-	-
Devarshi Buch	Director	-	(9.95)	-	-	-
Beejal D Buch	Director's Spouse	(1.14)	(2.28)	-	(2.28)	-
** Ceased to be a related party with effect from 01.10.2005 figures in bracket denote payables						

ANNEXURE XIV - Statement of Contingent Liabilities					
(Rs in Lacs)					
As at	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	-	19.64	265.00	-	-
Guarantees / Counter Guarantees given by the Company / by banks on behalf of the Company	73.92	140.79	85.72	65.06	27.71
Letter of Credit opened for which the company is contingently liable	361.16	184.25	117.63	-	-
Bills discounted with banks	-	-	149.57	72.69	84.92
Total	435.08	344.68	617.92	137.75	112.63

ANNEXURE XV - Statement of Tax Shelter as Restated						
						(Rs in Lacs)
STATEMENT OF TAX SHELTER		31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Effective Tax Rate - Income Tax	A	33.66%	33.66%	36.59%	35.88%	36.75%
Effective Tax Rate - M AT	B	11.22%	8.42%	7.84%	7.69%	7.88%
Profit as restated excluding Tax Effects	C	1,218.75	772.78	10.94	20.69	82.95
Tax on Restated Profit as per applicable rate	D=(C*A)	409.92	260.44	4.00	7.42	30.49
Adjustments :-						
Timing difference - Depreciation	E	139.41	(19.75)	64.57	44.04	93.91
Timing difference - U/s 35 (1) (i)	E	-	36.06	-	-	-
Permanent difference - Benefit U/s 10A	F	832.93	657.32	-	-	-
Other Adjustments	G	(125.83)	(17.73)	(46.28)	(42.96)	(40.89)
Net Adjustments	H=(E+F+G)	846.50	655.90	18.28	1.08	53.02
Tax savings on above	I=(H*A)	284.93	220.78	6.69	0.39	19.48
Taxable Income as restated	J=(C-H)	372.24	116.88	(7.34)	19.61	29.94
Total Tax as per restated accounts	K	125.30	39.34	-	7.03	11.00
Tax provisions as per books of Accounts	L	90.30	20.00	29.00	21.00	18.75
Restated Taxable Income as per MAT	M	726.48	193.74	56.22	62.51	137.74
MAT as per restated accounts	N	81.51	16.31	4.41	4.81	10.85

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our financial statements included in the Red Herring Prospectus. You should also read the chapter titled “Risk Factors” beginning on page 13 of the Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations.

These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the report of our statutory Auditor M/s Kothari and Kenia, Chartered Accountants dated June 16, 2007 in the chapter titled “Financial Information” beginning on page 134 of the Red Herring Prospectus.

Our financial year ends on March 31 of each year, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year. Our historical financial performance may not be considered as indicative of future financial performance.

Overview of the business

The dynamics of today’s political, economic and technological environment are driving organisations to focus all energy and resources on their core businesses and outsource the additional/support functions to partner organisations with complimentary strength. At the same time, information technology has become one of the most critical needs to gain and retain cutting edge in the ever- growing competitive environment. This scenario across the globe has forced organisations to devise their business strategies for outsourcing the IT related function to identified partner(s) so that they can focus on their core businesses and IT partner can consistently work with them to provide cutting edge advantage for their core businesses sustenance and growth.

Our Company was incorporated in the year 1990 and over a period of time, from being a third party service provider and computer assembling company, we have expanded our scope of activities by venturing into IT solutions and Technology services.

Presently, we are a technology service provider and are dedicated to deliver a wide range of technology services as well as technology-enabled services to our clients. Our portfolio of offerings includes a wide range of IT services and products such as business availability services, business continuity services, systems integration solutions, and framework solutions and products. In business availability services, we provide services such as infrastructure management, application management and software testing. In business continuity services, we provide services such as disaster recovery management and disaster recovery consulting and auditing.

Our value proposition as a technology services provider is to work with our clients as value added partners and provide technology services through flexible delivery models. Moreover, our business relationships with global IT companies adds value to our technical expertise, innovation and helps us in providing better services to our clients. By providing technology services, our Company enables organisations to focus on their own core business proposition and derive the competitive business advantage. This is aptly executed by gaining an edge over competition by utilizing “India Advantage” of having right skills, better communication ability, different time zone and cost effective business model.

We have a large client base across the globe in different industry segments like BFSI (Banking, Financial Services & Insurance), Manufacturing, Utilities, Services, Government bodies, etc. Our clients amongst others include prominent companies such as HDFC Standard life Insurance Limited, CRISIL, , Worldsoft Technologies Inc, Ami Impex Co. Ltd., Edmond bvba

Significant developments subsequent to the last financial year

- Pre IPO Placement of five lacs Equity Shares aggregating to Rs. 500.00 lacs
- Maharashtra Industrial Development Corporation has Alloted a plot of 14,161 sq.mtrs of land at Hinjawadi, Pune.

Factors affecting our Results of Operations

Several factors may affect our results of operations, financial condition and cash flow. These factors may be:

- Economic conditions in India and global markets
- Change in the demand for IT products and services, particularly from clients in the BFSI sector
- Pricing pressures due to continued competition.
- Acceptance of our products and services in the markets
- Competition in hiring and retaining skilled IT professionals
- Failure in expanding international operations as per our business plans
- Changes in government taxation policies

Year ended	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Income					
Income From Operations	7763.78	5621.27	4496.55	3954.63	4516.01
Other Receipts	15.91	6.55	15.52	16.46	11.66
Total Income (A)	7779.69	5627.82	4512.07	3971.09	4527.67
Expenditure					
Materials, Goods Consumed and Other Direct Expenses	5,050.47	4024.79	3654.84	3269.13	3882.59
Staff Cost	448.13	267.93	329.32	274.23	238.67
Administrative and Other Expenses	340.39	190.89	190.03	125.98	92.68
Selling and Distribution Expenses	144.48	60.61	49.99	52.24	44.31
Sub-Total (B)	5983.47	4544.22	4224.18	3721.57	4258.24
EBIDTA (A-B)	1796.22	1083.60	287.89	249.52	269.43
EBIDTA Margin (%)	23.09%	19.25%	6.38%	6.28%	5.95%
Financial Expenses	157.61	93.47	59.46	42.63	22.86
Depreciation	288.25	201.14	172.21	144.37	108.84
Total Expenditure (C)	6429.33	4838.84	4455.85	3908.58	4389.94
PBT (A-C)	1,350.36	788.98	56.22	62.51	137.73
PBT Margin (%)	17.36%	14.02%	1.25%	1.57%	3.04%
Provision for Taxation	167.13	35.54	23.78	22.83	44.40
Profit for the year after Tax before extraordinary items	1,183.23	753.44	32.44	39.68	93.33
PAT Margin (%)	15.21%	13.39%	0.72%	1.00%	2.06%
(Short)/Excess Provision for Tax in earlier years			(1.52)	5.03	2.63
Net Profit after Tax	1,183.23	753.44	33.96	34.65	90.70
Net Profit Margin	15.21%	13.39%	0.75%	0.87%	2.00%

Total Income

Major share of our income accounts from providing systems integration solutions, facilities management services and application management services etc.

- Systems integration solutions comprises of supply of IT products such as computer systems & peripherals, networking equipments, packaged software, and other accessories required for server and storage consolidation and for executing projects on turnkey basis.
- Income from services includes amounts charged to the customers for maintenance, upkeep of hardware/software and sales bills raised on customers for supply of consumables & spare parts.
- Income from application development and management services include amount charged to the customers for software development.

Expenditure

Major items under this category has been rearranged into the following heads:

Cost of Sales and Services: This includes purchase of computer systems & peripherals for system integration, consumption of service spares and other direct expenses such as inward transportation, technical repairs & service charges, etc

Employee remuneration and benefits: This includes salaries, wages and allowances, contribution to employee benefit plans and staff welfare expenses.

General and Administrative expenses: This include expenses such as rent, rates and taxes, legal and professional charges comprising of payments made to employees on contractual basis, communication cost, travelling and conveyance expenses, etc.

Selling and Distribution expenses:

Selling and distribution expenses include expenses such as advertisement & business promotion expenses, transportation outward, packing expenses, etc.

Financial Expenses

Financial Expenses include interest, bank charges, LC charges & foreign exchange fluctuation loss.

Comparison of the financials for the FY 2007 with financials for the FY 2006

Total Income

In FY 2007, total income of our Company has grown by 38.24% to Rs. 7779.69 lacs as against Rs. 5627.82 lacs in FY 2006. We have achieved this growth on account of substantial increase in income from application management services, which has shown a YoY growth of 77.22%. In the FY 2007 our management focus on application management services has resulted in increase in the share of application management services in total income from 23.05% to 28.46%.

Expenditure

Cost of sales and services constituted 64.92% of the total income in the FY 2007 as against 71.52% in the FY 2006. This decrease, in percentage terms, in the cost of sales and services is due to increase in the share of application management and other services in the total income, which has better margins.

The expenses incurred on employee remuneration and benefits were Rs. 448.13 lacs (5.76% of total income) for the FY 2007 as against Rs. 267.93 lacs (4.76% of total income) for the FY 2006. The YoY increase of 67.26% in

employee remuneration and benefits is on account of new recruitment and increase in salaries in the normal course of business

The administrative and general expenses increased to Rs. 340.39 lacs constituting 4.38% of total income for the FY 2007 as against Rs. 190.89 lacs constituting 3.39% of total income for the FY 2006. The increase in expenses was on account of increase in Legal and professional charges and general office expenses.

Selling and Distribution expenses increased to Rs. 144.48 lacs for the FY 2007 from Rs. 60.61 lacs for the FY 2006. YoY these expenses have increased by 138.39% due to applicability of VAT to the Company and substantial increase in business promotion expenses.

Financial Expenses

The financial expenses for the FY 2007 were Rs. 157.61 lacs as compared to Rs. 93.47 lacs for the FY 2006 showing an increase of 68.62%. The increases in financial expenses were on account of increase in interest outgo and LC charges.

Comparison of the financials for the FY 2006 with financials for the FY 2005

Total Income

In FY 2006, total income of our Company has grown by 24.73% to Rs. 5627.82 lacs as against Rs. 4512.07 lacs in FY 2005. We have achieved this growth on account of substantial increase in income from application management services, which has shown a YoY growth of 543.68%. In the FY 2006 our management focus on application management services has resulted in increase in the share of application management services in total income from 4.17% to 23.05%. This has resulted in a substantial increase in the net profit to Rs.753.44 Lacs in FY 2006 as compared to Rs.32.44 Lacs in FY 2005.

Expenditure

Cost of sales and services constituted 71.52% of the total income in the FY 2006 as against 81.00% in the FY 2005. This decrease, in percentage terms, in the cost of sales and services is due to increase in the share of application management services in the total income, which has better margins.

The expenses incurred on employee remuneration and benefits were Rs. 267.93 lacs (4.76% of total income) for the FY 2006 as against Rs. 329.32 lacs (7.30% of total income) for the FY 2005. During the last three years, the Company was in the phase of development of framework solutions and components, for which the Company had employed additional manpower, resulting in higher employee costs till the FY 2005.

The administrative and general expenses, increased marginally to 190.89 lacs constituting 3.39% of total income for the FY 2006 as against Rs. 190.03 lacs, constituting 4.21 % of total income in the FY 2005. This decrease is due to adoption of cost control measures.

Selling and Distribution expenses increased to Rs. 60.61 lacs for the FY 2006 from Rs. 49.99 lacs for the FY 2005. YoY these expenses have increased by 21.24% due to applicability of VAT to the Company and increase in Sales tax payment.

Financial Expenses

The financial expenses for the FY 2006 were Rs. 93.47 lacs as compared to Rs.59.46 lacs for the FY 2005 showing an increase of 57.21%. The increases in financial expenses were on account of foreign exchange fluctuation loss and increase in LC charges.

Comparison of FY 2005 with FY 2004

During the FY 2005, the Company had exported software worth Rs. 194.40 Lacs. The Company has called back this software since implementation of the software was held back by the buyer.

During the FY 2006, the Company utilized the environment software received back from the said customer worth Rs. 64.09 Lacs and sold the same to other customer in FY 2006. Hence the difference between the two was charged to revenue in FY 2005 in restated accounts.

Total Income

The income of our Company for the FY 2005 has increase by 13.62% to Rs.4512.07 as against income of Rs. 3971.09 lacs in FY 2004. This increase in income was mainly on account of 16.14% increase in income from system integration.

Total Expenditure

On YoY basis cost of sales and services has increased by 11.80% in FY 2005. The increase is in line with 13.62% increase in total income in the FY 2005.

The expenses incurred on employee remuneration and benefits were Rs. 329.32 lacs constituting 7.30% of total income for the FY 2005 as against Rs. 274.23 lacs constituting 6.91% of total income for the FY 2004. The YoY increase of 20.09% in employee remuneration and benefits were in line with the increase in total income.

The administrative and general expenses increased to Rs. 190.03 lacs constituting 4.21% of total income for the FY 2005 as against Rs. 125.98 lacs constituting 3.17% of total income for the FY 2004. The increase in expenses was on account of recruitment of software professionals on contractual basis.

Selling and Distribution expenses decreased to Rs. 49.99 lacs for the FY 2005 from Rs. 52.24 lacs for the FY 2004. YoY these expenses have reduced by 4.30% due to decrease in outward transportation expenses.

Financial Expenses

The financial expenses for the FY 2005 were Rs. 59.46 lacs as compared to Rs.42.63 lacs for the FY 2004. The increase in expenses was on account of availing of additional working capital facility due to increase in working capital requirement.

Information Required As Per Clause 6.10.5.5 Of The SEBI (DIP) Guidelines

Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions having significant impact on the operations of the Company during the periods under review except as transaction mentioned in 5 (b) in the annexure (3) of "Financial Statement" beginning on page no. 134

Significant economic changes that materially affected or are likely to affect income from continuing operations

VAT has been implemented with effect from April 1, 2005. It has a negative impact on our business as the Company cannot avail the input credit due to capitalization of the hardware and related infrastructure costs.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

In the past our business has been affected and we expect that it will continue to be affected by the trends as mentioned under paragraph “Factors affecting our results of operations” in chapter “Management Discussion and Analysis of Financial Conditions and Results of Operation” beginning on page 154 and the uncertainties described in the section titled “Risk Factors” beginning on page 13 of the Red Herring Prospectus. According to us there are no factors which may have material adverse impact on our income except as disclosed in the Red Herring Prospectus

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

In future the costs and revenues of our Company may be affected on account of factors mentioned under paragraph “Factors affecting our Results of Operations” in chapter “Management Discussion and Analysis of Financial Conditions and Results of Operation beginning on page 154 of the Red Herring Prospectus.

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

In FY 2007 we have made foray into RMS & Software testing services, resulting in an increase in revenue.

Total turnover of each major industry segment in which the issuer company operated

Our Company has operated only in IT-ITES segment.

Status of any publicly announced new products or business segment

We have not announced and do not expect to announce in the near future any new products or business segments, except in the ordinary course of our business.

The extent to which business is seasonal

Our results of operations do not generally exhibit seasonality. However, there may be variation in our quarterly income or profit after tax as a result of various factors, including those described under paragraph “Factors Affecting Our Results of Operations” in chapter “Management Discussion and Analysis of Financial Conditions and Results of Operation” beginning on page 154 and those described in the section titled “Risk Factors” beginning on page 13 of the Red Herring Prospectus.

Any significant dependence on a single or few suppliers or customers

We generate a significant portion of our revenues from a limited number of clients. According to our financials for the year ended March 31, 2007, our top ten clients have contributed 66.08% of our revenues.

Competitive conditions

For details of competitive conditions, please refer to the chapter titled ‘Our Business ’ beginning on page 78 of the Red Herring Prospectus.

SECTION VI: LEGAL AND REGULATORY INFORMATION

Outstanding Litigations, Material Developments And Other Disclosures

There are no outstanding litigations against our Company, our Directors, our Promoters and our Promoter Group or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits and arrears on cumulative preference shares issued by our 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) against our Company, our Directors and our Promoters, except the following.

A. Outstanding Litigations and contingent liabilities pertaining to our Company.

Our Company, nor its Promoter or Directors, is not involved in any litigation matters.

The contingent liabilities amounting to Rs. 435.08 Lacs not provided for in our Balance Sheet as at March 31, 2007 are as follows:

- i. Guarantees / Counter Guarantees given by the Company / by banks on behalf of the Company amounting to Rs. 73.92 Lacs;
- ii. Letter of Credit amounting to Rs. 361.16 Lacs;

In the event the obligations materialize, our Company will face additional financial burden to the extent, thereby affecting our profitability

GOVERNMENT APPROVALS/ LICENSING ARRANGEMENTS:

Our Company has received the necessary consents, licenses, permissions and approvals from the Government/RBI and various Government agencies required for our present business. Our Company can undertake all the present activities in view of the present approvals and no further approvals from any statutory body are required by our Company to undertake the present activities

Our Company has received the following significant Government approvals, licenses and permissions:

Incorporation

- (i) Certificate of Incorporation bearing No. 11-55256 dated January 30, 1990 from the Registrar of Companies, Maharashtra. Our Company Identification Number is U300007MH1990PTC055256
- (ii) Fresh Certificate of Incorporation consequent to conversion from private company to public company under section 44 of the Companies Act, 1956 dated April 12, 2001 issued by the Registrar of Companies, Maharashtra

Software Technology Parks of India (“STPI”)

Omnitech has obtained the necessary approval required for setting up the STP Unit(s), in the State of Maharashtra / Goa, vide Reference No STPI/MUM/VIII (A)/1276/2455, at the following addresses, on March 29, 2006 as a 100% Export Oriented Unit under the STP Scheme for development of Computer software / IT Enabled services

- 1. Unit 1, 3rd Floor, Omnitech House, Plot No A-13, Cross Road No. 5, Marol, Andheri (East), Mumbai – 400093;
- 2. Unit 2, 104, Building No. 5 Sector 3, Millennium Business Park, M.I.D.C, Mahape, Navi Mumbai–400 709

General Licenses/Approvals/ Certificates

We have also obtained necessary approvals and registrations from the tax authorities, labour department, etc., which include: -

- (i) Our Company’s PAN issued by Director of Income Tax (Systems), Government of India is AAACO1775F
- (ii) Our Company’s Tax Deduction Account Number as per the Income Tax Act, 1961 is MUM002155G
- (iii) TUV Certification for QM Systems of RWTUV confirms the quality management system standard ISO 9001:2000, for supply and deployment of computers, Networking and Data Storage Products with maintenance, Facilities Management and Disaster Recovery Services, Design, Development and Deployments of Software Products and Services, dated December 17, 2004. The certificate bearing Registration Number 04100 2001 1955 – E3 is valid upto December 12, 2007.

- (iv) Certificate of Registration bearing Number PT/R/1/1/25/18/458 dated November 6, 1990 issued by the Profession Tax Officer, Maharashtra under sub-section (2) or (2A) of Section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
- (v) Certificate of Registration bearing no. 016/1950/2002-03 dated October 21, 2002 issued by the Profession Tax Officer, Karnataka under Rule 18 of the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976
- (vi) Certificate bearing Number MH/39489-B allotted to our Company vide a letter dated April 1, 1992 issued by the Regional Provident Fund Commissioner, Maharashtra for the purpose of making compliance with the provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the Scheme framed there under.
- (vii) Registration with the Employees' State Insurance Corporation vide Code No. 31-28125-90 under the Employees' State Insurance Act, 1948
- (viii) Certificate of Importer-Exporter Code (IEC) under the Foreign Trade Development and Regulation Act, 1992 dated June 23, 1992 issued by the Ministry of Commerce, Gujarat bearing IEC No. 0392018144.
- (ix) Certificate of Registration of Establishment under the Bombay Shops and Establishment Act, 1948 bearing Registration Number CE/5744 dated May 8, 2000 issued by the Inspector, Government of Maharashtra, for our unit situated at our Navi Mumbai office.
- (x) Certificate of Registration of Establishment under the Karnataka Shops and Commercial Establishments Act, 1961 bearing Registration Number 60/year/666/2006 dated May 8, 2006 issued by the Inspector, Government of Karnataka - Department of Labour, for our branch office situated at Bangalore, Karnataka. This certificate is valid upto December 3, 2009.
- (xi) Certificate of Registration of Establishment under The Delhi Shops and Establishment Act, 1954 bearing Registration Number 6/4210/II 6 dated January 15, 1976 issued by the Chief Inspector, for our branch office situated at Delhi
- (xii) Certificate of Registration bearing Registration Number 400027/C/814 dated June 3, 1996 issued by the Sales Tax Department, Maharashtra under the Central Sales Tax (Registration and Turnover) Rules, 1957
- (xiii) Certificate of Registration bearing Registration Number 400027/S/891 dated March 26, 1996 issued by the Sales Tax Department, Maharashtra under Section 22/22A of the Bombay Sales Tax Act, 1959
- (xiv) Certificate of Registration bearing Registration Number 01600552 dated November 21, 2002 issued by Department of Commercial Taxes, Karnataka under Section 10(1) of the Karnataka Sales Tax Act, 1957
- (xv) Certificate of Registration bearing Registration Number 01650555 dated October 21, 2002 issued by the Department of Commercial Taxes, Karnataka under Section 7(1)/(2) of the Central Sales Tax Act, 1956
- (xvi) Certificate of Registration bearing Registration number R & M/M-1/256 for Maintenance and Repair and MC/MUM-I/622 as management consultant dated July 31, 2003 issued by the Department of Revenue, Maharashtra under section 69 of the Finance Act, 1994

- (xvii) Registration Certification as dealer liable to pay Value Added Tax assigning Tax Identification Number 27200051248 dated April 1, 2006 under section 16 of the Maharashtra Value Added Tax Act, 2002.
- (xviii) Microsoft Open License Agreement dated June 30, 2005 bearing Licensee Authorisation Number 19278592ZZS0707 and License Agreement Number 40274302. This Agreement is valid upto July 31, 2007.

INTELLECTUAL PROPERTY RIGHTS

The status of the various trademarks applied for and registered in the name of the Company is as follows:

Sr. No	Trademark	Application No	Class	Application Date	Status
1	OmniMonitor	1412630	9	January 10, 2006	Application is accepted for advertisement
2	OmniTransport	1291356	9	June 21, 2004	Registered on December 12, 2005
3	Omnitech Empowering Enterprises	1291357	9	June 21, 2004	Registered on December 12, 2005
4	OmniAudit	1296219	9	July 15, 2004	Registered on October 20, 2005
5	Omnibizness	1086476	9	March 11, 2002	Application has been Abandoned.
6	OmnimanageIT	1136852	9	September 27, 2002	Application has been Abandoned.
7	<u>E</u>	944036	9	July 31, 2000	Accepted for Advertisement
8	omnicare	584480	9	November 11, 1992	Registered on July 15, 1993
9	Omnibizness IT	1086475	9	March 11, 2002	Applied
10	omnitech	584478	9	November 11, 1992	Registered on September 28, 2001
11	omnitech	920894	9	April 26, 2000	Applied

Approvals arising out of Objects to the Issue:

We have not applied nor obtained any Government approvals arising out of our Objects of the Issue

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

The Board of Directors have, pursuant to a resolution passed at its meeting held on August 12, 2006, authorized the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act, 1956.

Our shareholders have authorized the Issue by a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, 1956, passed at the Annual General Meeting held on August 22, 2006 at Mumbai.

Prohibition by SEBI

Our Company, our directors, our Promoters or the other person(s) in control of our Promoters, Promoter group companies, companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI.

Further, our Promoters and Promoter group entities have confirmed that they have not been detained 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 or are pending against them.

Eligibility For The Issue

Our Company is eligible for the Issue as per Clause 2.2.1 of the SEBI Guidelines as confirmed by the Auditors of our Company:

1. Our Company has net tangible assets of at least Rs. 300 Lacs in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI DIP Guidelines;
2. Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI DIP Guidelines;
3. Our Company has a net worth of at least Rs. 100 Lacs in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI DIP Guidelines;
4. The aggregate of the proposed Issue size and all previous issues made in the same financial year in terms of size (i.e. offer through the offer document + firm allotment + promoter's contribution through the offer document) is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the last financial year and is compliant with Clause 2.2.1(e) of the SEBI DIP Guidelines.
5. There has been no change in the name of our Company in the last one year.

Our net tangible assets, monetary assets, net profits (as restated) and networth (as restated) as derived from the financial statements (restated), as per Indian GAAP and included in the Red Herring Prospectus under the chapter titled "Financial Statements", as at, and for the last five years ended March 31, 2006 is set forth below:

(Rs.in Lacs)

	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
Distributable Profits ⁽¹⁾	1183.23	753.44	33.96	34.65	90.70
Net worth, as restated ⁽²⁾	3034.39	1667.04	978.77	957.35	918.13
Net tangible assets ⁽³⁾	4174.54	2649.14	1900.66	1452.41	1207.88
Monetary assets ⁽⁴⁾	135.54	184.26	190.17	274.70	394.88
Monetary Assets as a %age of Net Tangible Assets	3.25	6.96	10.01	18.91	32.69

⁽¹⁾ Distributable Profits have been defined in terms of Section 205 of the Companies Act, 1956

⁽²⁾ Net worth has been defined as the aggregate of value of the paid up equity share capital and free reserves, (excluding reserves created out of revaluation) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off), as per the audited Balance Sheet.

⁽³⁾ Net tangible assets is defined as the sum of fixed assets (including capital work in progress and capital advances and excluding revaluation reserves), investments, current assets (excluding deferred tax assets) less current liabilities and short term liabilities.

⁽⁴⁾ Monetary assets include cash on hand and bank balances and investments in mutual funds.

Our Company undertakes that the number of allottees in the Issue shall be at least 1000. Otherwise, the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

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 TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, UTI BANK LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES, 2000, AS FOR THE TIME BEING IN FORCE. 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 MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, UTI BANK LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- “(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.
- (II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT’S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS ISSUE;
- (B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;
- (D) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID;
- (E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- (F) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE 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 SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS”

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Draft Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed offer. SEBI further reserves the right to take up at any point of time, with the BRLM and Co-BRLM, any irregularities or lapses in the Red Herring Prospectus.

Disclaimer Statement from the Company, the BRLM and Co-BRLM

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Our Company, its Directors, the BRLM and Co-BRLM accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other material issued by or at the instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.omnitechindia.com, would be doing so at his/ her own risk.

The BRLM and Co-BRLM accepts no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriters and the Company and the Memorandum of Understanding entered into between the BRLM and Co-BRLM and the Company.

Our Company and the BRLM and Co-BRLM shall make all information available 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 or at bidding centers etc.

Neither the Company nor the Members of the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted Non-Residents, including eligible NRIs, FIIs and eligible Foreign Investors. The Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself/ 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 Mumbai, India only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus has been filed with SEBI for observations. Accordingly, the Equity Shares represented thereby may not be issued or sold, directly or indirectly, and the 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 the Red Herring Prospectus nor any sale hereunder shall, under any

circumstances, create any implication that there has been no change in the affairs of the Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of 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 may be offered and sold only (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur

Disclaimer Clause of the Bombay Stock Exchange Limited

The Bombay Stock Exchange Limited (“the Exchange”) has given vide its letter dated December 8, 2006, permission to this Company to use the Exchange’s name in this Draft offer document as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange ;or
- iii) take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the National Stock Exchange of India Limited

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref: NSE/LIST/36544-8 dated January 4, 2007, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft offer document has been cleared or approved by NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document ; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquires any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Red Herring Prospectus, along with documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with the RoC. A copy of the Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at SEBI Bhawan, Bandra-Kurla Complex, Bandra, Mumbai.

Listing

Applications have been made to the BSE and the NSE for permission to list the Equity Shares and for permission to deal in and for an official quotation of our Equity Shares. BSE shall be the Designated Stock Exchange.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by any of the Stock Exchanges mentioned above, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier), then the Company, and every Director of the Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalization and adoption of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and the Bankers to this Issue; and (b) Book Running Lead Manager to this Issue, Co-BRLM, members of the Syndicate, Escrow Collection Bank(s), Registrar to this Issue and legal advisors to the Issue and Underwriters, to act in their respective capacities, have been obtained and were filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Maharashtra, Mumbai as required under Sections 60 and 60B of the Companies Act, 1956, and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection), Guidelines 2000, M/s. Kothari & Kenia, Chartered Accountants, our statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

M/s. Kothari & Kenia, Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in the Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except as otherwise stated in the Red Herring Prospectus, we have not obtained any expert opinions.

Issue Related Expenses

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

<i>(Rs. in Lacs)</i>			
Particulars	Expenses	As a % of the Issue size	As a % of the total issue expenses
Management fees, underwriting commission and brokerage	[•]	[•]	[•]
Marketing and advertisement expenses	[•]	[•]	[•]
Stationary, printing and registrar expenses	[•]	[•]	[•]
Others	[•]	[•]	[•]
Total	[•]	[•]	[•]

Fees payable to the Book Running Lead Manager and the Co-Book Running Lead Manager

The total fees payable to the Book Running Lead Manager and the Co-Book Running Lead Manager including brokerage and selling commission for the Issue will be as stated in the Engagement Letter executed between the Company, the BRLM and the Co-BRLM dated April 27, 2007 a copy of which is available for inspection at our Registered Office.

Fees payable to the Registrar to this Issue

The fees payable to the Registrars to this Issue will be as per the Memorandum of Understanding dated August 27, 2006, a copy of which is available for inspection at our Registered Office.

Adequate funds will be provided to the Registrar to this Issue to enable them to send the refund orders or allotment advice by registered post/speed post/under certificate of posting.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and the selling commission for the Issue is as set out in the Syndicate Agreement.

The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue price and the amount underwritten in the manner mentioned in the Red Herring Prospectus.

Particulars Regarding Previous Public Issues by our Company

Our Company has not made any issue of securities to the public since its inception.

Issues otherwise than for Cash:

Except as stated in the chapter titled “Capital Structure” beginning on page 38 of the Red Herring Prospectus, we have not issued any Equity Shares for consideration otherwise than for cash.

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

Companies under the Same Management

There is no other company under the same management within the meaning of erstwhile Section 370(1B) of the Companies Act, 1956, other than the joint ventures, associates, Promoters and Promoter Group Companies, details of which companies are provided in the chapter titled “Our Promoter” and “ Our Promoter Group Companies” beginning on pages 127 & 129 respectively of the Red Herring Prospectus

Promise versus Performance – Previous Issues of Promoter Group Companies

None of our Promoter Group companies have made any public issues.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

Our Company has no outstanding debentures, bonds or redeemable preference shares.

Stock Market for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any Stock Exchange.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to this Issue and us will provide for retention of records with the Registrar to this Issue for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to this Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and bank, branch or collection center where the application was submitted.

Disposal of Investor Grievances by the Company

We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr.Gaurav Sharma as the Compliance Officer and he may be contacted at:

“OMNITECH HOUSE”,
Plot No. A/13, Cross Road No. 5,
Marol M.I.D.C,
Andheri East,
Mumbai-400 093, India.
Tel: 91-22-4095 6666
Fax: 91-22-4095 4545
Email: investors@omnitechindia.com

Investors can contact him or the Registrar to the Issue 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 or refund orders, etc.

Option to Subscribe

Equity shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

Changes In Auditors During The Last Three Years With Reasons Thereof

The following were the changes made in auditors in the last three years :

Particulars of Change	Meeting/ Date of Appointment	Reasons for change
M/s J.J.Sumaria & Co., were appointed in place of M/s Manish Ladage & Co.	At AGM held on September 21, 2002	Other commitments
M/s Kothari & Kenia were appointed in place of M/s J.J.Sumaria & Co.	At AGM held on September 30, 2004	Other commitments

Capitalisation of Reserves or Profits

The Company has issued Bonus Shares by Capitalisation of Reserves of Profits on the following three occasions

	Financial Year	Particulars of Capitalisation of Reserves or Profit
1	1999-2000	Rs.9200000 was capitalized from the Share Premium for issue of 920000 Equity Shares of Rs.10 each for issue of Bonus Shares in the ratio of 1:4
2	2000-2001	Rs.19975000 was capitalized from the General Reserve for issue of 1997500 Equity Shares of Rs.10 each for issue of Bonus Shares.
3	2005-2006	Rs.30248200 was capitalized from the Share Premium Account /General Reserve Account for issue of 3024820 Equity Shares of Rs.10 each for issue of Bonus Shares in the ratio of 1:2

Revaluation of Assets During The Last Five Years

The Company has not revalued its assets during the last five years.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The present Issue of [●] Equity Shares at a price of Rs. [●] for cash aggregating Rs. 3500 Lacs (hereinafter referred to as the “Issue”), including Employee Reservation of [●] Equity Shares aggregating to Rs. 175 Lacs. The Net Issue will comprise [●] Equity Shares aggregating to Rs. 3325 Lacs. The Issue would constitute [●] % of the post Issue paid-up capital of the Company.

The Issue is being made through the 100% Book Building Process:

	Employee Reservation	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Upto [●] Equity Shares aggregating to Rs.175 Lacs#	Net Issue to the Public less allocation to Non-Institutional Bidders and Retail Individual Bidders of upto [●] Equity Shares aggregating to Rs.1663 Lacs	Atleast [●] Equity Shares or Net Issue size less allocation to QIB Bidders and Individual Bidders aggregating to Rs.498 Lacs	Atleast [●] Equity Shares or Net Issue size less allocation to QIB Bidders and Non Institutional Bidders, aggregating to Rs.1164 Lacs.
Percentage of Issue Size available for Allotment/ allocation	Upto 5% of the Issue Size	Upto 50% of the Net Issue (of which 5% shall be reserved for Mutual Funds) or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders. * Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	At least 15% of the Net Issue or Net Issue less allocation to QIBs and Retail Portion*	At least 35% of the Net Issue or Net Issue less allocation to QIBs and Non-Institutional Portion*
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate	Proportionate (a) [●] Equity Shares aggregating Rs. 83 Lacs shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares aggregating to Rs.1663 Lacs shall be allotted on a proportionate basis to	Proportionate	Proportionate

	Employee Reservation	QIBs	Non-Institutional Bidders	Retail Individual Bidders
		all QIBs, including Mutual Funds receiving allocation as per (a) above.		
Minimum Bid	60 Equity shares and thereafter in multiple of 60 equity shares	Such number of Equity Shares that the Bid Amount exceeds Rs. 100000 and in multiples of 60 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs.100000 and in multiples of 60 Equity Shares thereafter.	60 Equity Shares and in multiples of 60 Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding Rs.175 Lacs	Such number of Equity Shares not exceeding the Net Issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares not exceeding the Net Issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares per Retail Individual Bidder whereby the Bid amount does not exceed Rs. 100000
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Eligible Employees	Public financial institutions as specified in Section 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 with minimum corpus of Rs. 2500 Lacs (subject to applicable law) and pension funds with minimum corpus of Rs. 2500 Lacs (subject to applicable law).	NRIs, Resident Indian individuals, HUFs (in the name of karta), companies, corporate bodies, scientific institutions, societies and trusts.	Individuals (including HUFs in the name of karta, NRI's), applying for Equity Shares such that the Bid Amount per Retail Individual Bidder does not exceed Rs. 100000 in value.

	Employee Reservation	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Terms of Payment	Margin amount applicable to employees at the time of submission of bid cum application form to the member of syndicate	Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate.
Margin Amount	Full Bid amount on bidding	10% of the Bid Amount in respect of bids placed by QIB Bidder on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

* Subject to valid Bids being received at or above the Issue Price, Under-subscription, if any, in any of the above categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of the Company, the BRLM and Co-BRLM and subject to applicable provisions of the SEBI Guidelines.

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

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If the aggregate demand by Mutual Funds is less than [●] Equity Shares aggregating to Rs.83 Lacs, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, conditions of RBI approval, the terms of the Red Herring Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment advice and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this Issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, Reserve Bank of India, Registrar of Companies and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank *pari passu* in all respects with the other existing Equity Shares of our Company including rights in respect of dividends. The Allottees, in receipt of Allotment of Equity Shares under this Issue, will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of allotment. See the chapter titled “Main Provisions of the Articles of Association of the Company” beginning on page 208 of the Red Herring Prospectus for a description of the Articles of Association.

Mode of Payment of Dividend

We shall pay dividend to the shareholders as per the provisions of the Companies Act, 1956.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being issued in terms of the Red Herring Prospectus at a price of Rs. [●] per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws.

Compliance with SEBI Guidelines

We shall comply with all disclosures 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:

- i. Right to receive dividend, if declared;
- ii. Right to attend general meetings and exercise voting powers, unless prohibited by law;
- iii. Right to vote on a poll either in person or by proxy;
- iv. Right to receive offers for rights shares and be allotted bonus shares, if announced;
- v. Right to receive surplus on liquidation;
- vi. Right of free transferability; and
- vii. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Articles of Association of the Company.

For further details on the main provisions of the Company’s Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer to chapter titled “Main Provisions of the Articles of Association” beginning on page 208 of the Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, 1956, the Equity Shares of the Company shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized form, the tradable lot would be one Equity Share. Allocation and Allotment in this issue will be only in electronic form in multiples of one subject to a minimum Allotment of Equity Shares. For details of allocation and allotment refer to chapter titled “Issue Procedure” beginning on page 179 of the Red Herring Prospectus.

Jurisdiction

The jurisdiction for the purpose of this issue is with competent courts/authorities in Mumbai, India.

Nomination Facility to the 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 shareholder(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 the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- i. to register himself or herself as the holder of the Equity Shares; or
- ii. 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

“If the Company does not receive the minimum subscription of 90% of the issue amount, including devolvement of the Underwriter/ Members of the Syndicate, if any, within 60 days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.”

Further, in terms of clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1000.

As per the policy of RBI, Overseas Corporate Bodies cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons”(as defined in Regulation S of 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 may be offered and sold only (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur

The 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.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process under clause 2.2.1 of SEBI (DIP) Guidelines, 2000, wherein upto 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, including up to 5% of the QIB portion which shall be available for allocation to Mutual Funds only. Further, at least 35% of the Net Issue shall be available for allocation on a proportionate basis to the Retail Individual Bidders and at least 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. Further, QIB bids can be submitted through the members of the Syndicate only. In case of QIB Bidders, our Company, in consultation with the BRLM and Co-BRLM, may reject any Bid procured from QIBs, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefor shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders and Bids under the Employee Reservation Portion, our Company would have a right to reject the Bids only on technical grounds as listed in the Red Herring Prospectus.

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

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 the 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 allocation of Equity Shares, dispatch of the Confirmation of Allocation Note (“CAN”), and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorized the Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public, NRIs applying on a non-repatriation basis	White
Non-residents including Eligible NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Eligible Employees of the Company	Pink

Who Can Bid

- i. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
- ii. 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;
- iii. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
- iv. Indian Mutual Funds registered with SEBI;
- v. Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and regulations, as applicable);
- vi. Venture Capital Funds registered with SEBI;
- vii. Foreign Venture Capital investors registered with SEBI;
- viii. State Industrial Development Corporations;
- ix. Trusts/ societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in Equity Shares;
- x. Eligible NRIs and FIIs on a repatriation basis or non-repatriation basis subject to applicable laws;
- xi. FIIs registered with SEBI on repatriation or non-repatriation basis
- xii. Scientific and/ or Industrial Research Organizations authorized to invest in Equity Shares;
- xiii. Insurance companies registered with the Insurance Regulatory and Development Authority of India;
- xiv. Provident funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to hold and invest in Equity Shares;
- xv. Pension funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to hold and invest in Equity Shares;
- xvi. Multilateral and bilateral development financial institutions; and
- xvii. Eligible employees; and
- xviii. Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

Note: The BRLM, Co-BRLM and member of the Syndicate shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, Co-BRLM and member of the Syndicate may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion, where the allocation is on a proportionate basis.

The information below is given for the benefit of the Bidders. The Company, the BRLM and Co-BRLM are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. 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.

Application By Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

An eligible Bid by Mutual Fund shall be first considered for allocation proportionately in the Mutual Fund portion. In the event that the demand is greater than [•] Equity Shares aggregating to Rs. 83 Lacs, 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.

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 capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Application By NRIs

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour). All instruments accompanying Bids shall be payable in Mumbai only.

Application By FIIs

As per current regulations, the following restrictions are applicable for investment by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid capital of our Company (i.e. [•] Equity Shares of Rs. 10 each). In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

As of now, the aggregate FII holding in our Company cannot exceed 40% of the total issued capital of our Company. With approval of our Board and that of the shareholders by way of a special resolution, the aggregate FII holding limit can be enhanced up to 100%; however till date no such resolution has been recommended to our shareholders for approval.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, in terms of Regulation 15A(1) of the SEBI(Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub account may issue, deal or hold, off-shore derivative instruments, such as Participatory Notes, Equity-Linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any Stock Exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities, in the countries of their incorporation or establishment, subject to compliance of "know your client" requirements. An FII or sub account shall also ensure that no further downstream issue or transfer of any instrument referred to herein above is made to any other person other than a regulated entity.

Bids By NRIs Or FIIs On A Repatriation Basis

Bids and revision to Bids must be made:

- i. On the Bid cum Application Form or Revision Form, as applicable, (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- ii. In a single or joint names (not more than three).
- iii. Bids by NRIs for a Bid Amount of up to Rs. 100000 would be considered under the Retail Individual Bidders Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100000 would be considered under Non Institutional Bidder Portion for the purposes of allocation by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 60 Equity Shares thereafter so that the Bid Amount exceeds Rs. 1.00 Lac; for further details, please refer to paragraph "Maximum and Minimum Bid Size" in chapter titled "Issue Procedure" beginning on page 179 of the Red Herring Prospectus.
- iv. In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCBs.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money payable upon submission of the Bid cum Application Form or Revision Form 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/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Application 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 Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI, in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only upto 33.33% of the investable funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and Co-BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum And Minimum Bid Size:

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of 60 Equity Shares and in multiples of 60 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 1.00 Lac. In case of Revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs.1 Lac. In case the Bid amount is over Rs.100000 due to revision of the Bid or revision of the Price Band or on exercise of the 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 60 Equity Shares such that the Bid Amount exceeds Rs. 1.00 Lac and in multiples of 60 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws/regulations.

Under the existing SEBI (DIP) guidelines, 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 revisions of Bids, the Non-Institutional Bidders, who are Individuals, have to ensure that the Bid Amount is greater than Rs. 1.00 Lac for being considered for allocation in the Non-Institutional Portion. In case the Bid amount reduces to Rs. 1.00 Lac 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 Employees of our Company:** The Bid must be for a minimum of 60 Equity shares and in multiples of 60 Equity Shares thereafter, subject to a maximum Bid amount not exceeding Rs. 175 Lacs.

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 the Red Herring Prospectus.

Information For The Bidders

- i. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
- ii. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- iii. An investor (who is eligible to invest in our Equity Shares according to the terms of the Red Herring Prospectus and applicable law) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
- iv. The Bids should be submitted on the prescribed Bid cum Application Form only. The Bid cum Application Form 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, the BRLM and Co-BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and a regional language newspaper circulated at the place where the registered office of our Company is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format and contain the disclosures specified in Schedule XX-A of the SEBI (DIP) Guidelines. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- ii. Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.

- iii. The Bidding Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two national newspapers (one each in English and Hindi) and one regional language newspaper circulated at the place where the registered office of our Company is situated and the Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding ten working days.
- iv. 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 entitled “Bids at Different Price Levels” on page 184 of the Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of equity shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of equity shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
- v. 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/allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph titled “Build up of the Book and Revision of Bids” on page 188 of the Red Herring Prospectus.
- vi. 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.
- vii. During the Bidding 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.
- viii. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph “Terms of Payment and Payment into Escrow Collection Account” on page 186 of the Red Herring Prospectus.

Bids At Different Price Levels

- i. The Price Band has been fixed at Rs. 90 to Rs. 105 per Equity Share of Rs. 10 each, Rs. 90 being the Floor Price and Rs.105 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re. 1(One).
- ii. Our Company, in consultation with the BRLM and Co-BRLM, reserves the right to revise the Price Band, during the Bidding Period, in which case the Bidding Period shall be extended further for a period of three working days, subject to the total Bidding Period not exceeding ten working days. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in this Red Herring Prospectus.
- iii. In case of revision in the Price Band, the Issue Period will be extended for three additional working days subject to a maximum of ten working days. Any revision in the Price Band and the revised Bidding/Issue period will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English and Hindi), and one regional newspaper, and also by indicating

the change on the websites of the BRLM and Co-BRLM, and the terminals of the members of the Syndicate.

- iv. Our Company, in consultation with the BRLM and Co-BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- v. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity shares at a specific price. Retail Individual Bidders and Eligible Employees applying for a maximum Bid in any of the Bidding options not exceeding Rs. 1 Lac may bid at Cut-off price. However, bidding at Cut-off price is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.
- vi. Retail Individual Bidders or Eligible Employees who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at the Issue Price, as finally determined, which will be a price within the Price Band. Retail Individual Bidders or Eligible Employees bidding at Cut-Off Price shall deposit the Bid Amount based on the higher end of the Price Band in the Escrow Account. In the event the Bid Amount is higher than the allocation amount payable by the Retail Individual Bidders or Eligible Employees, who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders or Eligible Employees, who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.
- vii. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders or Eligible Employees who had bid at Cutoff Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1 Lac for Retail Individual Bidders or Rs. 175 Lacs for Eligible Employees, if the Bidder 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 Price plus additional payment) exceeds Rs. 100000 for Retail Institutional Bidders, the Bid will be considered for allocation under the Non-Institutional portion in terms of the 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 higher end 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 the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- viii. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders or Eligible Employees who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
- ix. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 60 Equity Shares irrespective of whether the Bid Price payable on such minimum application is not in the range of Rs. 5000 to Rs. 7000.

Escrow Mechanism

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account as per the terms of the Escrow Agreement. Payment of refunds to the Bidders shall also be made from the Escrow Collection Banks as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders shall note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), the Registrar to the Issue and the Members of the Syndicate to facilitate collections from the Bidders and the Company.

Terms Of Payment And Payment Into The Escrow Collection Accounts

In case of Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees, each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid cum Application Form and draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details please see the paragraph titled “Payment Instructions” beginning on page 195 of the Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue 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 held in the Refund Account for the benefit of the Bidders who are entitled to refunds. Not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e. Non Institutional Bidders, Retail Individual Bidders and Eligible Employees, 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 in the chapter titled “Issue Structure” beginning on page 173 of the Red Herring Prospectus.

In case of QIBs, each QIB shall along with submission of the Bid Cum Application form, draw a cheque or demand draft for 10% of the maximum amount of his Bid in favour of the Escrow account of the Escrow Collection Bank. The balance amount shall be payable by the Bidder for Equity Shares allocated at the Issue Price, no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected and the margin money will be refunded.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration Of Bids

- 1) 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.
- 2) 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. Members of the Syndicate 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 half hourly basis. On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information shall be available with the BRLM and Co-BRLM on a regular basis.

- 3) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centers and the websites of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the Bidding centres during the Bidding Period.
- 4) 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 (Investors should ensure that the name given in the Bid cum Application form is exactly the same as the name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.)
 - ii) Investor Category – Employee, Individual, Corporate, NRI, FII, or Mutual Fund etc.
 - iii) Numbers of Equity Shares bid for.
 - iv) Bid Price.
 - v) Bid cum Application Form number.
 - vi) Whether payment is made upon submission of Bid cum Application Form.
 - vii) Margin Amount; and
 - viii) Depository Participant Identification Number and Client Identification Number of the Beneficiary Account of the Bidder.
- 5) 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 either by the members of the Syndicate or our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- 6) Any of the members of the Syndicate may reject QIB Bids provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of such rejection. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 198 in the Red Herring Prospectus.
- 7) 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 and/or the BRLM and Co-BRLM are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
- 8) 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 the 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 the 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.
- 9) Bids not uploaded to the online IPO system of NSE / BSE shall not be considered for allocations / allotment. In case of discrepancy of data between the BSE and NSE and the members of the Syndicate the decision of the

BRLM and Co-BRLM based on the physical records of the Bid Cum Application forms shall be final and binding on all concerned.

Build Up Of The Book And Revision Of Bids

- i. 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.
- ii. The book gets built up at various price levels. This information will be available with the BRLM and Co-BRLM on a regular basis.
- iii. During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price and using the printed Revision Form, which is a part of the Bid cum Application Form.
- iv. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.
- v. 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.
- vi. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form.
- vii. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.
- viii. 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.**

Price Discovery And Allocation/ Allotment

- i. After the Bid Closing Date /Issue Closing Date, the BRLM and Co-BRLM will analyse the demand generated at various price levels and discuss pricing strategy with us.
- ii. The Company, in consultation with the BRLM and Co-BRLM, shall finalise the “Issue Price” and the number of Equity Shares to be allotted in each category to the Bidders.
- iii. The allocation to QIBs upto 50%, Non-Institutional Bidders and Retail Individual Bidders of at least 15% and 35% of the Net Issue respectively, would be on proportionate basis, in the manner specified in the SEBI Guidelines and the Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price

- iv. Undersubscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM and Co-BRLM. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares aggregating to Rs.83 Lacs, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, 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 Co-BRLM and the Designated Stock Exchange.
- v. Undersubscription, if any, in the Employee Reservation Portion will be added back to the Net Issue to the public and the ratio amongst the investor categories will be at the discretion of the Company and the BRLM and Co-BRLM. In case of undersubscription in the Net Issue spill over to the extent of undersubscription shall be permitted from the Employee Reservation Portion.
- vi. Allocation to QIBs, NRIs, FIIs, Foreign Venture Capital Funds, Multilateral and Bilateral Development Financial Institutions registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for allotment of Equity Shares to them.
- vii. The BRLM and Co-BRLM, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Price has not been collected from the Bidders.
- viii. Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever.
- ix. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
- x. The allotment details shall be put on the website of the Registrar of the Issue.

Signing Of Underwriting Agreement And ROC Filing

- i. Our Company, the BRLM, Co-BRLM and member of the Syndicate shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s)/Allotment to the Bidders.
- ii. After signing the Underwriting Agreement, the 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

We will file a copy of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement Of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI (DIP) Guidelines in an English national daily with wide circulation, one Hindi National newspaper and a regional language newspaper with wide circulation at Mumbai.

Advertisement Regarding Issue Price And Prospectus

We will issue a statutory advertisement after the filing of the Red Herring 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 filing of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance Of Confirmation Of Allocation Note (CAN)

After the determination of the Issue Price, the following steps would be taken:

- i. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM and Co-BRLM or 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 allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.
- ii. The BRLM, Co-BRLM or Member of the Syndicate would 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 Allocation Amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- iii. Bidders who have been allocated 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.
- iv. The issuance of CAN is Subject to “Allotment Reconciliation and revised CANs” as set forth herein.

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 upload on the BSE/NSE system. This shall be followed by physical book prepared by the Registrar prepared on the basis of the Bid cum Application form received. Based on the physical book or electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allotted 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 physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid Applications may be rejected due to technical reasons, non-receipt of fund, 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 and specified in the physical book. 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. It is not necessary that a revised CAN will be sent. 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 Allotment 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

- i. Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, we would allot the Equity Shares to the allottees. Our Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be within

two working days of the date of allotment. In case, our Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.

- ii. In accordance with the SEBI Guidelines, Equity Shares will be issued, transferred and allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

General Instructions

Do's:

- i. Check if you are eligible to apply;

Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) or Eligible Employee Bid Cum Application Form (pink in colour) as the case may be;

- ii. Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of Equity Shares will be in the dematerialized form only;
- iii. Investor 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;
- iv. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a members of the Syndicate;
- v. Ensure that you have been given a TRS for all your Bid options;
- vi. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- vii. Ensure that the Bid is within the Price Band;
- viii. Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act, irrespective of the bid amount. The copy of the PAN card should be submitted with the application form;
- ix. Ensure that the demographic details (as defined herein below) are updated true and correct in all respects

Don'ts:

- i. Do not Bid for lower than the minimum Bid size;
- ii. Do not Bid/ revise Bid Amount to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- iii. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- iv. Do not pay the Bid Amount in cash;
- v. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- vi. Do not Bid at Cut Off Price (for QIB Bidders, Non-Institutional Bidders) ;
- vii. Do not Bid at Bid Amount exceeding Rs 1 Lac (for Retail Individual Bidders);

- viii. 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;
- ix. Do not submit Bid accompanied with Stockinvest;
- x. Do not submit GIR number instead of PAN as Bid is liable to be rejected on this ground; and
- xi. Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

Instructions For Completing The Bid Cum Application Form

Bidders can obtain Bid cum Application Forms and / or Revision Forms from members of the Syndicate.

Bids And Revisions Of Bids

Bids and revisions of Bids must be:

- i. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI, FII or foreign venture capital fund registered with SEBI applying on repatriation basis and pink colour for Eligible Employees
- ii. 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.
- iii. For Retail Individual Bidders, the Bid must be for a minimum of 60 Equity Shares and in multiples of 60 thereafter subject to a maximum Bid amount of Rs. 1 Lac.
- iv. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds Rs. 1 Lac and in multiples of 60 Equity Shares thereafter. Bids cannot be made for more than the Net Offer to the Public. 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.
- v. For Eligible Employees, the Bid must be for a minimum of 60 Equity Shares and shall be in multiples of 60 Equity Shares thereafter. The maximum Bid in this portion cannot exceed Rs.175 Lacs
- vi. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- vii. 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.

Bids by Employees

- i. Bids by Eligible Employees shall be made only in the prescribed Bid cum Application Form or Revision Form, (i.e., pink colour form).
- ii. Eligible Employees should mention their Employee ID at the relevant place in the Bid cum Application Form.
- iii. Only Eligible Employees, who are Indian Nationals based in India and are physically present in India on the date of submission of the Bid-cum-Application Form and such person is an employee or Director during the period commencing from the date of filing of the Red Herring Prospectus with the RoC upto the Bid/Issue Closing Date would be eligible to apply in this Issue under the Employee Reservation portion on a competitive basis.
- iv. The sole/first Bidder should be an Eligible Employee. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid cum Application Form.

- v. Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allotment under this category.
- vi. Eligible Employees who apply or bid for Equity Shares of or for a value of not more than Rs. 1 Lac in any of the bidding options can apply at Cut-Off.
- vii. The maximum Bid in this category should not Rs.175 lacs
- viii. If the aggregate demand in this category is less than or equal to Rs.175 Lacs at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Any under-subscription in Equity Shares reserved for Eligible Employees would be treated as part of the Net Offer to the Public and allotment shall be in accordance with the basis of allotment described in the paragraph titled “Basis of Allotment” on page 201 of the Red Herring Prospectus.
- ix. If the aggregate demand in this category is greater than Rs.175 Lacs at or above the Issue Price, the allocation shall be made on a proportionate basis subject to a minimum allocation being equal to the minimum Bid/Application size of 60 Equity Shares. For the method of proportionate basis of allotment, refer to paragraph titled “Basis of Allotment” on page 201 of the Red Herring Prospectus.
- x. Bid/Application by Eligible Employees can be made also in the “Net Issue to the Public” and such Bids shall not be treated as multiple Bids

Bidder’s Bank Details

Bidders should note that on the basis of names of the Bidders, Depository Participant’s name, Depository Participant Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidder bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through ECS, hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refund to Bidders at the Bidders sole risk and neither the BRLM and Co-BRLM nor the Registrar nor the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same.

Bidder’s Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant’s name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or give credit through ECS and occupation (hereinafter referred to as “Demographic Details”). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/CANs/Allocation advice and printing of bank particulars on the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

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/ECS refunds for credits/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/ECS refunds for credits /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 the Company nor the Registrar nor the Escrow Collection Bank(s) nor the BRLM and Co-BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any such interest for such delay.

The company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the Refund Orders/ECS refunds for credits/Allocation Advice/CANs, the demographic details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder) In such cases, the Registrar shall use Demographic details as given in the Bid cum Application Form instead of those obtained from the Depositories.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids By Non Residents, NRIs, FIIs And Foreign Venture Capital Funds Registered With SEBI on a Repatriation Basis

Bids and revision to Bids must be made:

- i. 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.
- ii. In a single name or joint names (not more than three).
- iii. By NRIs for a Bid Amount of up to Rs. 1 Lac would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 1 Lac would be considered under Non-Institutional Bid Portion for the purposes of allocation, by FIIs or Foreign Venture Capital Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 60 Equity Shares thereafter so that the Bid Price exceeds Rs. 1 Lac. For further details, please refer to the paragraph titled 'Maximum and Minimum Bid Size' on page 182 of the Red Herring Prospectus.
- iv. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- v. Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission
- vi. 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, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- vii. Our Company does not require approvals from FIPB or RBI for the transfer of Equity Shares in this Issue to eligible NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral

development financial institutions. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

- viii. There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act ") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons " (as defined in Regulation S of 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 may be offered and sold only (i) in the United States to "qualified institutional buyers ", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur

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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

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 therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 2500 Lacs (subject to applicable law) and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged 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 therefor.

In case of Bids made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

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, the BRLM and Co-BRLM may deem fit.

Payment Instructions

Our Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment Into Escrow Account

- 1) The applicable Margin Amount for Non Institutional and Retail Individual Bidders is equal to 100% and while submitting the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of the Company and submit the same to the members of the Syndicate.
- 2) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account 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 BRLM and Co-BRLM
- 3) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - i) In case of Resident QIB Bidders: **“Escrow Account-Omnitech Infosolutions IPO-QIB-R”**
 - ii) In case of Non Resident QIB Bidders: **“Escrow Account-Omnitech Infosolutions IPO –QIB-NR”**
 - iii) In case of Resident Bidders: **“Escrow Account-Omnitech Infosolutions IPO-R”**
 - iv) In case of Non-resident Bidders: **“Escrow Account-Omnitech Infosolutions IPO-NR”**
 - v) In case of Eligible Employees : **“Escrow Account-Omnitech Infosolutions IPO-Employees”**
- 4) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks 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.
- 5) In case of Bids by FIIs, 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.
- 6) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account of our Company.
- 7) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
- 8) 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.
- 9) 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 to the Bidders.
- 10) Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment By Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would 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. Each member of the Syndicate may, at its sole discretion, waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form. However, for QIB Bidders, the members of the Syndicate shall collect the Margin Amount.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. 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. Bids/Application by Eligible Employees can be made also in the “Net Issue to the Public” and such bids shall not be treated as multiple bids.

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.

Our Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

With effect from July 2, 2007, SEBI vide its circular no. MRD/DoP/Cir-05/2007 dated April 27, 2007 has decided to make Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. **The copy of the PAN card is required to be submitted with the Bid-cum-Application Form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Unique Identification Number-MAPIN

SEBI vide its circular no. MRD/DoP/Cir-08/2007 dated June 25, 2007 has decided to discontinue with the requirement of Unique Identification Number (UIN) under the SEBI (Central Database of Market Participants Regulations), 2005.

Our Right To Reject Bids

In case of QIB Bidders, our Company, in consultation with the BRLM and Co-BRLM may reject a bid placed by a qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of submission of the Bid and the reasons therefor shall be disclosed to the QIB Bidders. In case of QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders, we have a right to reject Bids based on technical grounds. Consequent refunds shall be made as set out in ‘Letter of Allotment or refund’ and “Mode of making refunds” on page 204 of the Red Herring Prospectus.

Grounds For Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- i. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- ii. Age of First Bidder not given;
- iii. 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;
- iv. Bid by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
- v. PAN photocopy not given;
- vi. Bank account details for refund are not given;
- vii. Bids for lower number of Equity Shares than specified for that category of investors;
- viii. Bids at a price less than lower end of the Price Band;
- ix. Bids at a price more than the higher end of the Price Band;
- x. Bids at Cut Off Price by Non-Institutional and QIB Bidders and Bidders in the Employee Reservation Portion bidding in excess of Rs.1 Lac;
- xi. Bids by QIBs not submitted through members of the Syndicate;
- xii. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- xiii. Bids for number of Equity Shares which are not in multiples of 60;
- xiv. Category not ticked;
- xv. Multiple Bids as defined in the Red Herring Prospectus;
- xvi. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- xvii. Bids accompanied by Stockinvest/money order/postal order/cash;
- xviii. Signature of sole and / or joint Bidders missing;
- xix. Bid cum Application Forms does not have the stamp of the Members of Syndicate;
- xx. Bid cum Application Forms does not have Bidder's depository account details;
- xxi. 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 Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- xxii. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- xxiii. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- xxiv. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations, refer to details in paragraph regarding the same at page 181 of the Red Herring Prospectus;
- xxv. Bids not duly signed by the sole/joint Bidders;
- xxvi. Bids by OCBs; or
- xxvii. Bids by U.S. residents or U.S. persons other than "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act of 1933.
- xxviii. If GIR number is mentioned instead of PAN Number.

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 the Registrar to the Issue:

- a) A tripartite Agreement dated October 9, 2006 with NSDL, our Company and the Registrar to the Issue;

- b) A tripartite Agreement dated September 12, 2006, with CDSL, our Company and the Registrar to the Issue.

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.

- i. 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.
- ii. 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.
- iii. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- iv. 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.
- v. 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.
- vi. Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrars to the Issue.
- vii. 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.
- viii. 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 our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- ix. 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.

As this Issue comprises of a fresh Issue, investors are advised to instruct their Depository Participants to accept their Equity Shares that may be allocated to them pursuant to this Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository account details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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.

Disposal Of Applications And Applications Money

We shall give credit of Equity Shares allotted to the beneficiary account with Depository Participants within 15 working days of the Bid/Issue Closing Date. Applicants residing at 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS).

In case of other applicants, the 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, except for Bidders who have opted to receive refunds through the ECS facility.

Applicants to whom refunds are made through Electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue.

We shall ensure dispatch of refund orders, if any, by “Under Certificate of Posting” or registered post or speed post or ECS, as applicable, only at the sole or First Bidder’s sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

We shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment.

We 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 7 (seven) working days of finalisation of basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI DIP Guidelines, our Company further undertakes that:

- i. allotment shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- ii. despatch refund orders within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured;
- iii. and our Company shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI’s Clarification XXI dated October 27, 1997, with respect to the SEBI DIP Guidelines.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 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

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this portion is less than or equal to Rs.1164 Lacs at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than Rs.1164 Lacs at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 60 Equity Shares. For the method of proportionate basis of allocation, refer herein below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to Rs.498 Lacs at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than Rs.498 Lacs at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 60 Equity Shares. For the method of proportionate basis of allocation refer herein below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows;
 - i. In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.
 - ii. In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
 - iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allocation to all 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, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- (c) The aggregate allocation to QIB Bidders shall be upto Rs.1663 Lacs.

D. For Employee Reservation Portion

The Bid must be for a minimum of 60 Equity Shares and in multiples of 60 Equity Shares thereafter. Bidders under the Employee Reservation Portion can apply for a maximum upto Rs.175 Lacs. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs.1 Lac/- may bid at Cut-Off.

- a. Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.
- b. If the aggregate demand in this category is less than or equal to Rs.175 Lacs at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- c. If the aggregate demand in this category is greater than to Rs.175 Lacs at or above the Issue Price, the allocation shall be made on a proportionate basis subject to minimum allocation being equal to the minimum Bid/Application size of 60 Equity Shares For the method of proportionate basis of allocation, refer below.
- d. Only Eligible Employees may apply under the Employee Reservation Portion.

Under-subscription, if any, in any category would be allowed to be met with spill over from any other category at the sole discretion of the Company, the BRLM and Co-BRLM

Procedure And Time Of Schedule For Allotment of Equity Shares and Demat Credit of Equity

The Issue will be conducted through a “100% book building process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on July 19, 2007 and expire on July 25, 2007. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM and Co-BRLM, will determine the Issue Price, and, in consultation with the BRLM and Co-BRLM, the basis of allocation and entitlement to allotment based on the Bids received and subject to the confirmation by the BSE/NSE. Successful Bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges.

Method Of Proportionate Basis Of Allotment

In the event of the Issue being over-subscribed, we shall finalize the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders and QIBs in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and Co-BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner.

Allotment to Bidders shall be as per the basis of allocation as set out in this Prospectus under paragraph titled ‘Issue Structure’ beginning on page 173 of the Red Herring Prospectus

- (a) Bidders will be categorized according to the number of Equity Shares applied for by them.
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, being the total number of Equity Shares applied for in that portion (number of Bidders in the portion 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, being the 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 60 Equity Shares per Bidder, the Allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of 60 Equity Shares; and
 - The successful Bidders out of the total Bidders for a portion shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that portion is equal to the number of Equity Shares calculated in accordance with (b) above; and
- (e) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other portion, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that portion. The balance Equity Shares, if any, remaining after such adjustment will be added to the portion comprising Bidders applying for minimum number of Equity Shares.
- (f) If the proportionate allotment to a Bidder is a number that is more than 60 but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of 1. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

Letters Of Allotment Or Refund Orders

We shall give credit to the beneficiary account with Depository Participants within two working days from the date of the Allotment. Applicants residing at 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS).

We shall ensure dispatch of refund orders, if any, of value up to Rs. 1500 by “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1500, 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.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- i. Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- ii. Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- iii. We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time period prescribed above.

Payment of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including nine digit 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 credit of refunds to Bidders at the Bidders sole risk and neither the BRLM and Co-BRLM nor the Refund Bank nor our Company nor the Registrar shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

- (a) **ECS:** Payment of refund would be done through ECS for applicants having an account at one of the 15 centres, where clearing houses for ECS are managed by Reserve Bank of India namely 1) Ahmedabad 2) Bangalore 3) Bhubaneshwar 4) Kolkata 5) Chandigarh 6) Chennai 7) Guwahati 8) Hyderabad 9) Jaipur 10) Kanpur 11) Mumbai 12) Nagpur 13) New Delhi 14) Patna and 15) Thiruvanthapuram. This would be subject to availability of complete Bank Account Details including MICR code from the depository. The payment of refund through ECS is mandatory for applicants having bank account at any of the 15 centres named herein above, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS or NEFT.
- (b) **Direct Credit:** Investors having their bank account with the Refund Bank, i.e.UTI Bank Ltd shall be eligible to receive funds, if any, through Direct Credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.
- (c) **RTGS:** Applicants having a bank account at any of the 15 centres detailed above, and whose Bid amount exceeds Rs. 10 Lacs, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the IFSC code in the Bid-cum-Application Form. In the event of failure to provide IFSC code in the Bid-cum-Application Form, the refund shall be made through ECS or Direct Credit, if eligibility is disclosed;
- (d) **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.
- (e) For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, the refund orders would be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1500 and through Speed Post / Registered Post for refund orders of Rs. 1500 and above.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by RBI are eligible to receive refunds through the modes detailed in (a), (b) and (c) hereinabove.

Interest In Case Of Delay In Dispatch Of Allotment Letters/Refund Orders

Our Company agrees that as far as possible allotment of securities offered to the public shall be made within 15 days of the closure of the public issue. Our Company further agrees that we shall pay interest at rate of 15% per annum if the allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the date of closure of the Issue. However, applications received after the closure of issue in fulfillment of underwriting obligations to meet the minimum subscription requirement shall not be entitled for the said interest.

Issue Program

BID/ISSUE OPENS ON:	July 19, 2007
BID/ISSUE CLOSSES ON:	July 25, 2007

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time)

or uploaded till such time as may be permitted by the BSE and NSE on the Bid/Issue Closing Date. Bids will only be accepted on working days i.e., Monday to Friday (excluding any public holidays).

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the web site of the BRLM, Co-BRLM and member of the syndicate and at their terminals.

Undertakings By Our Company

Our Company undertakes as follows:

- a) that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- b) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- c) that the funds required for despatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- d) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading "Modes of making refunds" on page 204 of the Red Herring Prospectus, shall be made available to the Registrar to the issue by the Issuer.
- e) that the refund orders or allotment advice to the successful Bidders shall be despatched within specified time; and
- f) 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.
- g) that the certificate of securities/refund order to the NRIs/FIIs shall be dispatched within the specified time.

We will provide adequate funds required for dispatch of refund orders / electronic transfer of funds for refunds or allotment advice to the Registrar to the Issue.

Utilisation Of Issue Proceeds

Our Board of Directors certify that:

- a) 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;
- b) details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- c) details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- (d) The details of all unutilized monies out of the funds received under the reservations shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which unutilized monies have been invested.

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. Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality, interest/dividend bearing liquid instruments including money market mutual funds, deposits with banks for the necessary duration. Such investments would be in accordance with investment policies approved by the Board or any of its committees, as authorised, from time to time.

Interest on Refund of excess Bid Amount

The Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the GoI, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Rectification of Register of Members

The Company, under Section 111A of the Companies Act will have the right to rectify the register of members to comply with the Companies Act.

Restrictions On Foreign Ownership Of Indian Securities

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of the Government of India ("FIPB") and the RBI.

The maximum permissible FII investment in our Company as approved at our Annual General Meeting held on August 22, 2006 is 40% of our total paid up capital. This can be raised to 100% by adoption of a Board resolution and special resolution by our shareholders; however, as of the date hereof, no such resolution has been recommended to Board or our shareholders for adoption.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents.

The transfer of Equity Shares of NRIs, FIIs, and Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial institutions shall be subject to the conditions as may be prescribed by the Government of India or RBI while granting such approvals.

Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FIIs applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act, 1933 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 may be offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not

exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and Co-BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the 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 THE ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to the provisions of Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and other main provisions are as detailed below. Each provision hereinbelow is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company

(i) *Preliminary*

Title of Article	Article Number and contents
Table "A" not to apply but company to be governed by these Articles	1. The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act 1956 be such as are contained in these Articles.

(ii) *Articles relating to rights of members regarding voting, dividend, lien on shares, process for modification of such rights and forfeiture of shares*

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	116. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	117. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	118. Subject to the provisions of Article 116, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.

Rights of Members to use	124.
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votes differently	On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses
Proxies	125. Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
Proxy either for specified meeting or for a period	126. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
No proxy to vote on a show of hands	127. No proxy shall be entitled to vote by a show of hands.
Instrument of proxy when to be deposited	128. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
Form of Proxy	129. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
Validity of votes given by proxy notwithstanding revocation of authority	130. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	131. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to	132. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at

be the judge of Validity of any value	such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	133. If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	192. (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares; (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.
The Company at General Meeting may declare dividend	193. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	194. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
Interim dividend	195. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	196. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance as interest not to earn dividend	197. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	198. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of

Title of Article	Article Number and contents
	which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	199. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	200. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	201. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	202. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	203. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	204. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	205. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or

Title of Article	Article Number and contents
	(e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
Unclaimed dividend	206. No unclaimed dividend shall be forfeited by the Board and the Directors shall comply with the provisions of the Act and the Rules thereunder as regards unclaimed dividends.
Set-off of calls against dividends	207. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
Dividends in cash	208. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
Capitalisation	209. (1)The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) That 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 (b)that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion. (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards; (a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or (b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or (c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b) (3) A share premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.
Board to give effect	210. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	<p>43.</p> <p>Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.</p>
Company to have lien on Shares/ Debentures	<p>44.</p> <p>The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member whether solely or jointly with others and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interests in any Share/ Debenture shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; PROVIDED THAT the Board of Directors may, at any time, declare any Share/ Debenture to be wholly or in part exempt from the provisions of this Article. 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.</p>
As to enforcing lien by sale	<p>45.</p> <p>The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:-</p> <p>(a) Unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.</p> <p>For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members</p> <p>(c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.</p>
Application of proceeds of sale	<p>46.</p> <p>(a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and</p> <p>(b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like</p>

Title of Article	Article Number and contents
	lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	47. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for 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.
Sum payable on allotment to be deemed a call	48. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	49. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
In default of payment Shares to be forfeited	50. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	51. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	52. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	53. 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 interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	54. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these

Title of Article	Article Number and contents
	Articles are expressly saved.
Power to annul forfeiture	<p>55.</p> <p>The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.</p>
Declaration of forfeiture	<p>56</p> <p>(a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p> <p>(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.</p> <p>(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.</p>
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.	<p>57.</p> <p>The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
Cancellation of shares certificates in respect of forfeited Shares	<p>58.</p> <p>Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.</p>
Evidence of forfeiture	<p>59.</p> <p>The declaration as mentioned in Article 56(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p>

Title of Article	Article Number and contents
Validity of sale	60. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of Shares	61. The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	10. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall <i>mutatis mutandis</i> apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.

(iii) Other provisions of Articles of Association

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	3. The authorized share capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000/- (Rupees One Crore Fifty Lacs only) Equity Shares of Rs.10/- (Rupees ten) each. The Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The

Title of Article	Article Number and contents
	new Shares shall be issued upon 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 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act
Non Voting Shares	<p>5.</p> <p>The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.</p>
Redeemable Preference Shares	<p>6.</p> <p>Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.</p>
Reduction of capital	<p>8.</p> <p>The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account</p> <p>in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	<p>8A.</p> <p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
Sub-division consolidation and cancellation of Shares	<p>9.</p> <p>Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, 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-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which 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.</p>

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>11.</p> <p>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>
Shares under control of Directors	<p>13.</p> <p>Subject to the provisions 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 for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p>
Power to offer Shares/options to acquire Shares	<p>13A</p> <p>(i) Without prejudice to the generality of the powers of the Board under Article 13 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.</p> <p>(ii) In addition to the powers of the Board under Article 13A(i), the Board may also allot the Shares referred to in Article 13A(i) to any trust, whose principal objects would <i>inter alia</i> include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 13A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>(iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 13A(i) and (ii) above.</p>
Power also to Company in General Meeting to issue Shares	<p>15.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by</p>

Title of Article	Article Number and contents
	such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.
Power of General Meeting to authorize Board to offer Shares/Options to employees	<p>15A</p> <p>(i) Without prejudice to the generality of the powers of the General Meeting under Article 15 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose</p> <p>(ii) In addition to the powers contained in Article 15A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
The Board may issue Shares as fully paid-up	<p>18.</p> <p>Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>
Acceptance of Shares	<p>19.</p> <p>Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Deposit and call etc., to be debt payable	<p>20.</p> <p>The money, if any which the Board of Directors 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 the allottee in the Register of Members as 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.</p>
Liability of Members	<p>21.</p> <p>Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of</p>

Title of Article	Article Number and contents
	Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.
Dematerialisation of securities	<p>21.(A)</p> <p>Definitions</p> <p>Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>SEBI “SEBI” means the Securities and Exchange Board of India.</p> <p>Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act. “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI.</p>
Dematerialisation of securities	<p>21.(B)</p> <p>Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>
Options to receive security certificates or hold securities with depository	<p>21.(C)</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.</p> <p>Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>21.(D)</p> <p>All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.</p>
Rights of depositories and beneficial owners	<p>21.(E)</p> <p>(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>

Title of Article	Article Number and contents
Depository To Furnish Information	<p>21.(F)</p> <p>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 the bye-laws and the Company in that behalf.</p>
Option to Opt out in respect of any security	<p>21.(G)</p> <p>If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the 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.</p>
Sections 83 and 108 of the Act not to apply	<p>21.(H)</p> <p>Notwithstanding anything to the contrary contained in the Articles,</p> <p>(1) Section 88 of the Act shall not apply to the Shares held with a Depository;</p> <p>(2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.</p>
Share certificate	<p>22.</p> <p>(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.</p> <p>(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p>
Limitation of time for issue of certificates	<p>22A.</p> <p>Every Member shall be entitled, without payment, to one or more Certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors may from time to time to approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each or one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case maybe. Every Certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a Share or Shares held jointly by several persons shall be sufficient delivery to all such holders.</p>
New certificate to be granted on delivery of the old certificates	<p>24.</p> <p>New certificates shall not be granted under the provisions of the forgoing Article except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation and, in case of destruction or loss of certificate, upon proof of destruction or loss, and upon such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board of Directors may think fit in the case of any certificate having been destroyed, lost or defaced beyond identification.</p>

Title of Article	Article Number and contents
	<p>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.</p> <p>The provisions of this Article shall mutatis mutandis apply to Debentures of the Company.</p>
The first name joint holder deemed sole holder	<p>25.</p> <p>If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p>
Company not bound to recognize any interest in Shares other than of registered holder	<p>27.</p> <p>(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p> <p>(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.</p>

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	<p>30.</p> <p>Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.</p>
Brokerage	<p>31.</p> <p>The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.</p>
Commission to be included in the annual return	<p>32.</p> <p>Where the Company has paid any sum by way of commission in respect of any</p>

Title of Article	Article Number and contents
	Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest out of capital	<p>33.</p> <p>Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.</p>

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	<p>34.</p> <p>(a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.</p> <p>(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.</p> <p>(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.</p> <p>(d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.</p> <p>(e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.</p> <p>(f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.</p> <p>(g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.</p> <p>(h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.</p>

CALLS

Title of Article	Article Number and contents
Directors may make calls	<p>35.</p> <p>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Evidence in action by Company against share holder	<p>41.</p> <p>On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>
Payment in anticipation of calls may carry interest	<p>42.</p> <p>The Board of Directors may, if it thinks fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, all or any part of the amount due upon the Shares held by him beyond the sums actually called for and upon the money so paid up in advance or so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and in respect of its Shares on account of which such advances are made, the Board of Directors may pay or allow interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, fifteen per cent per annum as the Member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such Member three months' notice in writing. Money so paid in advance of the amount of calls shall not confer a right to dividend</p>

Title of Article	Article Number and contents
	<p>or to participate in profits .</p> <p>No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment presently payable.</p> <p>The provisions of this Article shall mutatis mutandis apply to the calls on Debentures of the Company.</p>

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	62. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Execution of transfer	65. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
Directors may refuse to register transfer	68. Subject to the provisions of Section 111 of the Act, Section 22A of the Securities Contract (Regulation) Act, 1956 and all other laws, rules, regulations and statutory agreements, if any, applicable to the Company or any statutory modification thereof for the time being in force, the Directors may at any time in their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of any Share and in particular may so decline in any case in which the Company has a lien upon the Shares desired to be transferred or any call or installment regarding any of them remain unpaid or if the transferee is not approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a Member; in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer. The registration of transfer shall be conclusive evidence of the approval of the Directors of the transferee. Registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except in lien on Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.
Death of one or more joint holders of Shares	69. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
Registration of persons entitled to Shares otherwise than by transfer	72. Subject to the provisions of the Act and Article 69 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by

Title of Article	Article Number and contents
(Transmission Clause)	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 that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
Refusal to register nominee	73. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
No fees on transfer or transmissions	75. No fee shall be charged for registration of transfer, transmission Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar documents.
Company not liable for disregard of a notice prohibiting registration of transfer	77. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	78. The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	82. The Company may, by Ordinary Resolution:

Title of Article	Article Number and contents
	<p>(a) Convert any fully paid up Share into stock, and</p> <p>(b) reconvert any stock into fully paid-up Shares.</p>

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	<p>86.</p> <p>Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.</p>
The payment or repayment of moneys borrowed	<p>87.</p> <p>The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.</p>
Terms of issue of Debentures	<p>88.</p> <p>Any debenture, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise; however, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.</p>
Mortgage of uncalled capital	<p>89.</p> <p>If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.</p>

MEETING OF MEMBERS

Title of Article	Article Number and contents
Omission to give notice not to invalidate proceedings	100. The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.
Notice of business to be given	101. No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.
Chairman's casting vote	112. In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	134. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
Debenture Directors	136. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.
Nominee Director or Corporation Director	137. a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to Industrial Finance Corporation of India (IFCI), ICICI Ltd. (ICICI), The Industrial Development Bank of India (IDBI) or any other financing company or body out of any loans granted or to be granted by them to the Company or so long as IFCI, ICICI, IDBI or any other financing corporation or credit corporation or any other financing company or body (each of which IFCI, ICICI, IDBI or any other financing corporation or credit corporation or any other financing company or body is hereinafter in this Article referred to as "The Corporation") continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any

Title of Article	Article Number and contents
	<p>person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.</p> <p>b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>c) 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 and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off</p> <p>d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the 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.</p> <p>e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> <p>f) Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
Directors may fill in vacancies	<p>140.</p> <p>The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.</p>
Additional Directors	<p>141.</p> <p>The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these</p>

Title of Article	Article Number and contents
	Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
Qualification shares	142. A Director need not hold any qualification shares.
Directors' sitting fees	143. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.
Extra remuneration to Directors for special work	144. Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided. Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or ii) by way of commission if the Company by a Special Resolution authorised such payment.
Directors and Managing Director may contract with Company	150. Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.
Director may be director of companies promoted by the Company	154. A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

MANAGING DIRECTOR AND MANAGER

Title of Article	Article Number and contents
Appointment and powers of Manager	<p>173A</p> <p>The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.</p>

MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	<p>166.</p> <p>Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Wholtime Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956.</p> <p>(b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.</p>
Remuneration of Managing Director	<p>167.</p> <p>Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.</p>

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Powers of Board meeting	<p>179.</p> <p>A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.</p>
Acts of Board or Committee valid notwithstanding defect in appointment	<p>183</p> <p>All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated</p>

Title of Article	Article Number and contents
	office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	<p>184.</p> <p>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting :-</p> <p>(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;</p> <p>(b) remit, or give time for the repayment of, any debt due by a Director,</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;</p> <p>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)</p>

Title of Article	Article Number and contents
	<p>(ii) Provided further that the expression “temporary loans” in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>
<p>Certain powers of the Board</p>	<p>186.</p> <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <ol style="list-style-type: none"> <li data-bbox="565 590 1443 653">(1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. <li data-bbox="565 663 1443 751">(2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act. <li data-bbox="565 762 1443 982">(3) Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. <li data-bbox="565 993 1443 1266">(4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. <li data-bbox="565 1276 1443 1402">(5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit. <li data-bbox="565 1413 1443 1501">(6) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed. <li data-bbox="565 1512 1443 1669">(7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees. <li data-bbox="565 1680 1443 1896">(8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India

Title of Article	Article Number and contents
	<p>or abroad and to observe and perform or challenge any award made thereon.</p> <p>(9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.</p> <p>(10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(11) Subject to the provisions of Sections 291, 292, 295, 370,372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.</p> <p>(12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>(13) To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.</p> <p>(14) To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company.</p> <p>(15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>

Title of Article	Article Number and contents
	<p>(16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>(17) To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause.</p> <p>(17A) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>(18) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in</p>

Title of Article	Article Number and contents
	<p data-bbox="634 222 1443 285">India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p data-bbox="524 386 1443 688">(19) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p data-bbox="561 705 1443 1188">(20) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p> <p data-bbox="561 1205 1443 1386">(21) Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p data-bbox="561 1402 1443 1465">(22) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p data-bbox="561 1566 1443 1713">(23) To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p> <p data-bbox="464 1730 1443 1900">(24) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors</p>

Title of Article	Article Number and contents
	<p>may believe or may be advised to be reasonably satisfactory.</p> <p>(25) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p> <p>(26) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(27) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(28) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(29) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(30) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(31) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(32) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p>

ACCOUNTS

Title of the Article	Article number and contents
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	<p>218.</p> <p>Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.</p>

DOCUMENTS AND NOTICES

Title of the Article	Article number and contents
Members bound by documents or notices served on or given to previous holders	<p>220.</p> <p>Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.</p>

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than [two] years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Prospectus, delivered to the Registrar of Companies, Mumbai at Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of our Company situated at Omnitech house, A-13 Cross Road No 5, Kondivita Road, MIDC Marol, Andheri (E), Mumbai – 400 093 from 10.00 am to 4.00 pm on working days from the date of this Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated June 18, 2007 between our Company, BRLM and Co-BRLM;
2. Memorandum of Understanding dated August 27, 2006 executed by our Company with Registrar to the Issue
3. Escrow Agreement dated June 29, 2007 between the Company, the BRLM, Co-BRLM, the Escrow Banks, Syndicate Member and the Registrar to the Issue.
4. Syndicate Agreement dated June 29, 2007 between the Company, the BRLM, Co-BRLM and the other Member of the Syndicate.
5. Underwriting Agreement dated [●] between the Company, the BRLM and Co-BRLM.
6. Business Assets Purchase Agreement dated August 25, 2006, between our Company and EdVenture System Inc.

Material Documents

1. Memorandum and Articles of Association as amended from time to time.
2. Certificate of Incorporation dated January 30, 1990.
3. Certificates in relation to change of names from OMNITECH BUSINESS MACHINES PRIVATE LIMITED TO OMNITECH INFOSOLUTIONS PRIVATE LIMITED dated January 9, 2001
4. Certificates in relation to change of names from OMNITECH INFOSOLUTIONS PRIVATE LIMITED to OMNITECH INFOSOLUTIONS LIMITED dated April 12, 2001.
5. Certificate of Incorporation dated December 12, 2006 of DRC Gulf W.L.L
6. Certificate of Incorporation dated January 14, 2007, of Omni Gulf Technologies W.L.L
7. Certificate of Registration ated February 9, 2007, of Omnitech Technologies Inc., US, our wholly owned subsidiary
8. Shareholders' resolutions passed at the Annual General Meeting held on August 22, 2006 in relation to this Issue.
9. Resolution passed at our Annual General Meeting held on September 30, 2005 re-appointing Mr. Atul M. Hemani as Managing Director, and resolution passed at Annual General Meeting held on August 22, 2006 modifying the remuneration payable to Mr. Atul Hemani.
10. Resolution passed at our Annual General Meeting held on September 30, 2005 re-appointing Mr. Avinash C. Pitale as Executive Director, and resolution passed at Annual General Meeting held on August 22, 2006 modifying the remuneration payable to Mr. Avinash C. Pitale
11. Resolution passed at our Annual General Meeting held on September 30, 2005 re-appointing Mr. Devarshi D. Buch as Executive Director, and resolution passed at Annual General Meeting held on August 22, 2006 modifying the remuneration payable to Mr. Devarshi Buch.
12. Report of the statutory auditors Kothari & Kenia, Chartered Accountants, dated June 16, 2007 for Restated Financial Statements for the year ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 prepared as per Indian GAAP and mentioned in the Red Herring Prospectus.

13. Copies of annual reports of our Company for the years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31 and 2003
14. Consent of the Statutory Auditors being Kothari & Kenia, Chartered Accountants, for inclusion of their report on accounts in the for and context in which they appear in the Red Herring Prospectus.
15. Consents of Statutory Auditors, Bankers to the Company, BRLM and Co-BRLM, Member of the Syndicate, Registrar to the Issue, Escrow Collection Bank(s)/ Banker to the Issue, Legal counsel to the Issue, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities
16. Initial listing applications dated November 20, 2006 and November 1, 2006 filed with BSE and NSE respectively.
17. In-principle listing approval dated December 8, 2006 and January 4, 2007 from BSE and NSE respectively.
18. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated October 9, 2006.
19. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated September 12, 2006.
20. Due diligence certificate dated September 27, 2006 to SEBI from UTI Bank Ltd
21. Copy of the letter dated June 16, 2007 from the Auditors of the Company, Kothari & Kenia, Chartered Accountants confirming tax benefits as mentioned in the Red Herring Prospectus.
22. SEBI observation letter No. CFD/DIL/PB/PR/94861/2007 dated May 29, 2007.
23. Copy of the Resolution passed at the Board meeting held on August 12, 2006 and copy of the resolution passed by the shareholders of our Company at the Annual General meeting passed under Section 81 (1A) dated August 22, 2006 for this Issue.
24. General power of attorney executed by Mr. Atul Hemani on behalf of board of directors in favour of Mr. Gaurav Sharma, Company Secretary for signing and making necessary changes to the Red Herring Prospectus and other related documents.
25. Copy of the board resolution dated June 30, 2007, authorising this Red Herring Prospectus.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of the 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

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules and regulations made thereunder or guidelines issued thereunder, as the case may be. The Company further certifies that all the statements in the Red Herring Prospectus are true and fair.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr Maganlal K Hemani
Non-Executive Chairman

Mr Atul M. Hemani
Managing Director

Mr Avinash C Pitale
Executive Director

Mr Devarshi D. Buch
Executive Director

Dr. Kali M. Bhattacharya
Independent, Non-Executive Director

Dr. Ram K. Mangal
Independent, Non-Executive Director

Prof. V.H. Iyer
Independent, Non-Executive Director

Mr. Vasudeva V. Kamath
Independent, Non-Executive Director

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Gaurav Sharma

Date: June 30, 2007

Place: Mumbai

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