



PCI Limited

(Our Company was originally incorporated as Prime Chemfert Industries Private Limited on February 13, 1986 under the Companies Act, 1956 with Registrar of Companies NCT Delhi & Haryana. Subsequently our Company was converted into a public limited company w.e.f. October 28, 1991 in the name of Prime Chemfert Industries Limited. The name of our Company was further changed to PCI Limited on September 29, 1995. The Corporate Identification Number of our Company is U74899DL1986PLC023329. For details of changes in Registered Office of our Company, please see the Section "History and Certain Corporate Matters" on page [●] of this Red Herring Prospectus)

Registered Office: Prime Group Building, 11/5B, Pusa Road, New Delhi - 110 005

Tel.: +91 11 4188 8999, **Fax:** +91 11 2575 5815 **Website :** www.pci-india.com, Email : ipo@prime-pci.com

Promoters of our Company: Mr. Surinder Mehta, Mrs. Archana Mehta and Mr. Rohan Mehta

Compliance Officer: Mr. Raghav Shukla, Company Secretary and Chief Manager - Legal

PUBLIC ISSUE OF 5,000,000 EQUITY SHARES OF RS. 10 EACH OF PCI LIMITED ("PCI" OR "THE COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING SHARE PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 26.62% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY

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

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

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

The Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of QIB Portion shall be available for allocation on a proportionate basis to mutual funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including mutual funds, subject to valid bids being received at or above issue price. Further atleast 15% of the Issue shall be available for allocation on proportionate basis to Non-Institutional Bidders and atleast 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid bids being received from them at or above the Issue Price.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of Equity Shares of the Issuer, there has been no formal market for the Equity Shares of the Issuer. The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of face value at the higher end of Price Band. The Issue Price (has been determined and justified by the Book Running Lead Manager and the Issuer as stated under the paragraph on "Basis for Issue Price given on Page [●] of this Red Herring Prospectus) 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 Issuer or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

Issuer having made all reasonable inquiries, accepts responsibility for and confirms that this Offer Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in the Offer Document 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 omissions of which makes this offer document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). In-principle approvals for the listing of the equity shares of our Company from BSE and NSE has been received vide their letters dated [●] and [●] respectively. For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

IPO GRADING

This Issue has been graded by [●] and has been assigned [●] indicating [●]. The IPO Grading is assigned on a 5 point scale from 1 to 5 with a Grade 5/5 indicating strong fundamentals and 1/5 indicating poor fundamentals. For further details please see the chapter titled "General Information" on Page [●] of Red Herring Prospectus.

| BOOK RUNNING LEAD MANAGER | | REGISTRAR TO THE ISSUE | |
|---------------------------|--|------------------------|---|
| | SPA Merchant Bankers Limited | | Karvy Computershare Private Limited |
| | SEBI Regn.: INM 000010825 25, C - Block, Community Centre Janak Puri, New Delhi - 110 058 Tel. +91 11 4567 5500, 2551 7371 Fax +91 11 2553 2644 Email: pci.ipo@spagroupindia.com Website: www.spacapital.com Contact Person: Mr. Nitin Somani | | SEBI Regn.: INR 000000221 Unit : PCI Limited Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081 Tel. +91 40 2342 0815-820, Toll free: 1-800-3454001 Fax +91 40 2342 0814 Email: einward.ris@karvy.com Website: www.karvy.com Contact Person: Mr. M Murali Krishna |

BID / ISSUE PROGRAMME

| BID / ISSUE OPENS ON | [●] | BID / ISSUE CLOSES ON | [●] |
|----------------------|-----|-----------------------|-----|
|----------------------|-----|-----------------------|-----|

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DEFINITIONS AND ABBREVIATIONS

Company Related Terms

| Term | Description |
|---|--|
| “PCI”, “the Company”, “our Company” or “Issuer” | Unless the context otherwise requires, refers to, PCI Limited, a public limited company incorporated under the Companies Act, 1956 |
| “Subsidiary” or “Subsidiaries” | Unless the context otherwise requires, refers to the subsidiary companies of PCI Limited i.e. Prime Electric Limited, PCI Asia Pacific Private Limited and PCI Europe GmbH |
| “Prime Group” | Unless the context otherwise required, collectively refers to PCI Limited, its subsidiaries and entities forming part of the Promoter Group |
| “we”, “us” and “our” | Unless the context otherwise requires, refers to PCI Limited together with its Subsidiaries |
| Articles / Articles of Association / AOA | The Articles of Association of our Company, as amended from time to time |
| Statutory Auditors / Auditors | The Statutory Auditors of our Company, Satish Aggarwal & Associates, 1st Floor, 4/5B, Asaf Ali Road, New Delhi - 110 002 |
| Board of Directors / the Board / our Board | The Board of Directors of PCI Limited and includes its committee thereof |
| Directors / our Directors | The Director(s) of PCI Limited, unless otherwise specified |
| Memorandum / Memorandum of Association / MOA | The Memorandum of Association of our Company, as amended from time to time |
| Registered Office / Our Registered Office | Registered Office of our Company situated at Prime Group Building, 11/5B, Pusa Road, New Delhi - 110 005 |

Issue Related Terms

| Term | Description |
|--|--|
| Allotment / Allocation | Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue |
| Allottee | The successful Bidder to whom the Equity Shares are/ have been issued |
| Application Supported by Block Amount / ASBA | Application Supported by Blocked Amount means an application (whether physical or electronic) subscribing to an Issue containing an authorization to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank |
| ASBA Bid cum Application Form / ASBA BCAF | The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of Red Herring Prospectus and Prospectus |
| ASBA Bidders / ASBA Investors | Means a Bidder / an Investor who intends to apply through ASBA process and a. is a “Resident Retail Individual Investor”; b. is bidding at cut-off, with single bid option as to the number of shares bid for; c. is applying through blocking of funds in a bank account with the SCSBs; d. has agreed not to revise his / her bid; e. is not bidding under any of the reserved categories |
| ASBA Public Issue Account | A bank account opened with the Bankers to the Issue by the Company to receive monies transferred by the SCSBs from the bank accounts of the ASBA Bidders. |
| Bid | An indication to make an offer during the Bidding / Issue Period by a prospective investor to subscribe to or purchase the Company’s Equity Shares at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, Bid means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder to subscribe to the Equity Shares of our Company at Cut-off Price. |
| 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 in the Issue. |

| Term | Description |
|---------------------------------------|---|
| Bid cum Application Form | The form used by the Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) in terms of which the Bidder shall make an offer to purchase Equity Shares of the Company in terms of this Red Herring Prospectus. |
| Bid / Issue Closing Date | The date after which the members of the Syndicate and SCSB will not accept any bids under this Issue, i.e. [●] |
| Bid / Issue Opening Date | The date on which the members of the Syndicate and SCSB will start accepting bids under this Issue, i.e. [●] |
| Bidding / Issue Period | The period starting from the Bid / Issue Opening Date and ending on the Bid / Issue Closing Date during which prospective Bidders / ASBA Bidders can submit their Bids. |
| Bid Revision Form | The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid cum Application Forms or any previous Bid Revision Form(s) |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form |
| Book Running Lead Manager / BRLM | SPA Merchant Bankers Limited |
| Cap Price | The higher end of the Price band, above which no Bids will be accepted |
| Confirmation of Allocation Note / CAN | The note or advice or intimation of allocation of Equity Shares sent to the Bidders / ASBA Bidder who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revision thereof |
| Controlling Branches | Such branches of the SCSBs which co-ordinate Bids received under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchange(s) and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf |
| Cut-off Price | The Issue Price finalized by the Company in consultation with the BRLM. |
| Designated Branches | Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the Physical ASBA Form can be submitted by an ASBA Investor. |
| Designated Date | The date on which the Escrow Collection Banks transfers the funds from the Escrow Account to the Public Issue Account, or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the Registrar of Companies, NCT of Delhi & Haryana, following which the Board of Directors shall allot Equity Shares to successful Bidders. |
| Designated Stock Exchange | Bombay Stock Exchange Limited |
| Draft Red Herring Prospectus / DRHP | The Draft Red Herring Prospectus, dated September 26, 2009, issued in accordance with Section 60B of the Companies Act, 1956, and the SEBI ICDR Regulations which does not contain, inter alia, complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue |
| Electronic ASBA Application / Bid | Submission of ASBA Bid cum Application Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs. |
| Eligible NRI | NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP constitutes an invitation to subscribe to the Issue |
| Equity Shares | Equity Shares of our Company of face value Rs 10 each, unless otherwise specified in the context thereof |
| Escrow Account | Account opened with Escrow Collection Bank(s) for the Issue and in whose favor the bidder (excluding the ASBA Bidder) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid |
| Escrow Agreement | Agreement dated [●] entered into between our Company, BRLM, Registrar to the Issue, Syndicate Members and Escrow Collection Bank(s) for collection of the Bid Amounts and refunds, if to the Bidder (excluding ASBA Bidder). |

| Term | Description |
|---------------------------------------|--|
| Escrow Collection Bank(s) | The banks, which are registered with SEBI as Banker to the Issue and with whom the Escrow Account have been opened, in this case being [●]. |
| First Bidder | The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form. |
| Floor Price | The lower end of the Price Band, below which no bids will be accepted. |
| IPO Grading Agency | [●] |
| Issue | The public issue of 5,000,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] each, aggregating Rs. [●] millions. |
| Issue Price | The price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or the Prospectus. |
| Margin Amount | The amount paid by the Bidder or blocked in the account of the ASBA Bidders at the time of submission of the Bid, being 10% or 100%, as applicable to the category of investor. |
| Mutual Fund | A Mutual Fund as registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |
| Mutual Fund Portion | 5% of the QIB portion or 125,000 Equity Shares available for allocation to Mutual Funds only, out of the QIB portion |
| Non-Institutional Bidders | All Bidders who are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000. |
| Non-Institutional Portion | The portion of the Issue being atleast 15% of Issue i.e. 750,000 Equity Shares available for allocation to Non-Institutional Bidders |
| Pay-in Date | Bid / Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount, or the last date specified in the CAN sent to Bidders with respect to Bidders whose margin is less than 100% of the Bid Amount. |
| Pay-in-Period | The period commencing in the Bid / Issue Opening Date and extending until the Pay-in Date. |
| Physical ASBA Application / Bid | ASBA Bid cum Application Forms submitted by an ASBA Investor physically with the designated branches of the SCSBs. |
| Price Band | Price band of a minimum price (floor price) of Rs. [●] and the maximum price (cap price) of Rs. [●] and includes revisions thereof |
| Pricing Date | The date on which Company in consultation with the BRLM finalizes the Issue Price |
| Promoters / Our Promoters | Mr. Surinder Mehta, Mrs. Archana Mehta and Mr. Rohan Mehta |
| Prospectus | The Prospectus to be filed with the RoC pursuant to Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information, and including any corrigendum thereof. |
| Public Issue Account | Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date. |
| Qualified Institutional Buyers / QIBs | 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 (subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million and National Investment Fund set up by Resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India. |
| QIB Margin Amount | An amount representing atleast 10 % of the Bid Amount, being the amount the QIBs are required to pay at the time of submitting the Bid |
| QIB Portion | The portion of the Issue being upto 50 % of the Issue, i.e., 2,500,000 Equity Shares, to be allotted to QIBs at the Issue Price on a proportionate basis |
| Refund Banker(s) | [●] |

| Term | Description |
|--------------------------------------|--|
| Refund Account | Account opened with the Refund Banker(s) from which the refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made. |
| Registrar to the Issue | Karvy Computershare Private Limited |
| Registrar of Companies / ROC | Registrar of Companies NCT Delhi and Haryana, IFCI Tower, Nehru Place, New Delhi - 110 019 |
| Resident Retail Individual Bidder | Retail Individual Bidder who is a person resident in India as defined under Foreign Exchange Management Act, 1999 and who is eligible to apply in this Issue through the ASBA process. |
| Retail Individual Bidder(s) | Individual Bidders (including HUFs and eligible NRIs) who have not Bid for Equity Shares for an amount more than or equal to Rs. 100,000 in any of the bidding options in the Issue. |
| Retail Portion | The portion of the Issue being atleast 35% of the Issue i.e. 1,750,000 Equity Shares available for allocation to Retail Bidder(s). |
| SPA | SPA Merchant Bankers Limited |
| Self Certified Syndicate Bank / SCSB | SCSB is a Bank registered under the SEBI (Bankers to an Issue) Regulations 1994, which offers the facility of applying through the ASBA process and is recognized by SEBI. ASBA Bid cum application forms can be accepted only by SCSBs. |
| Stock Exchanges | The BSE and the NSE. |
| Syndicate Agreement | Agreement dated [●] entered into between our Company, BRLM and Syndicate Members in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders) |
| Syndicate Members | [●] |
| TRS / Transaction Registration Slip | The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid. |
| Underwriters | [●] |
| Underwriting Agreement | Agreement dated [●] entered into between our Company and the Underwriters on or after the Pricing Date. |

Conventional and General Terms / Abbreviations

| Term | Description |
|-----------------------------|---|
| Act or Companies Act | The Companies Act, 1956, as amended from time to time |
| AGM | Annual General Meeting |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| BIFR | Board for Industrial and Financial Reconstruction |
| BSE | Bombay Stock Exchange Limited |
| CARO | Companies (Auditors' Report) Order, 2003 |
| CDSL | Central Depository Services (India) Limited |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Depository / Depositories | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL |
| Depository Participant / DP | A depository participant as defined under the Depositories Act |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| EPS | Earnings per Equity Share |
| ESOP / ESOS | Employees Stock Option Plan / Employees Stock Option Scheme |
| ESPP / ESPS | Employees Stock Purchase Plan / Employees Stock Purchase Scheme |
| ESOP Guidelines | Securities & Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 2000 |
| FCNR Account | Foreign Currency Non Resident Account |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed hereunder |

| Term | Description |
|--------------------------------------|--|
| Foreign Institutional Investor / FII | Foreign institutional investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India |
| Financial Year / Fiscal Year / FY | Twelve months ending on March 31 of a particular year |
| FIs | Financial Institutions |
| FVCI | Foreign venture capital investor, registered with SEBI under the SEBI (foreign venture Capital Investor) Regulations, 2000 |
| HUF | Hindu Undivided Family |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IPO | Initial public issue/ offering |
| NAV | Net Asset Value |
| Non Residents | All Bidders who are not NRIs or FIIs and are not persons resident in India |
| NRE Account | Non Resident External Account |
| NRI / Non Resident Indian | A person resident outside India, as defined in FEMA and who is a citizen of India or a Person of Indian Origin, and as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 |
| NRO Account | Non Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| PAN | Permanent Account Number |
| RBI | Reserve Bank of India |
| RONW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956 as amended from time to time |
| SCRR | Securities Contracts (Regulations) Rules, 1957 as amended from time to time |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time |
| SEBI ICDR Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI effective from August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended |
| SSI Undertaking | Small Scale Industrial Undertaking |
| Venture Capital Funds / VCF | Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time |

Industry and Business related terms / Abbreviations

| Term | Description |
|-------|---|
| AC | Alternate Current |
| AMC | Annual Maintenance Contracts |
| APDRP | Accelerated Power Development and Reforms Program |
| AREP | Accelerated Rural Electrification Programme |
| AT&C | Aggregate Transmission & Commercial Loss |
| BHEL | Bharat Heavy Electricals Limited |
| BU | Billion Units |
| CAD | Computer Aided Design |
| CAGR | Compounded Annual Growth Rate |
| CAM | Computer Aided Manufacturing |
| CKm | Circuit Kilometer |
| CNC | Computerized Numerically Controlled |
| CRGO | Cold Rolled Grain Oriented |
| CSO | Central Statistical Organization |
| DC | Direct Current |

| Term | Description |
|--------------|---|
| DGA | Dissolved Gas Analysis |
| EHV | Extra High Voltage |
| EPC | Engineering procurement and construction |
| ERS | Emergency restoration system |
| FDI | Foreign Direct Investment |
| FICCI | Federation of Indian Chambers of Commerce and Industry |
| GDP | Gross Domestic Product |
| GE | General Electric |
| GW | Gigawatt |
| HR | Human Resource |
| HSIIDC | Haryana State Industrial and Infrastructure Development |
| HV | High Voltage |
| HVDC | High Voltage Direct Current |
| ITP | Independent Third Party |
| KV | Kilo Volt |
| KVA | Kilo Volt Ampere |
| KW | Kilowatt(s) |
| KWH | Kilowatt-hour(s) |
| LED | Light Emitting Diodes |
| MIG | Metal Inert Gas |
| MT | Metric Tonne |
| MU | Million Units |
| MVA | Mega volt Ampere |
| MVA | Mega volt Ampere |
| MW | Mega watt |
| NEP | National Electricity Policy |
| NHPC | National Hydroelectric Power Corporation |
| NTPC | National Thermal Power Corporation |
| P&O products | Prosthetic and Orthotic products |
| PEL | Prime Electric Limited |
| PLF | Plant Load Factor |
| R&D | Research and Development |
| R.E.S | Renewable Energy Sources |
| SEBs | State Electricity Boards |
| SEZ | Special Economic Zone |
| T&D | Transmission and Distribution |
| THDi | Total Harmonic Distortion of Current (i) |
| TIG | Tungsten Inert Gas |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UPS | Uninterruptible power supply |

CURRENCY OF FINANCIAL PRESENTATION

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

Throughout this Draft Red Herring Prospectus, all figures have been expressed in millions. Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Draft Red Herring Prospectus. Unless indicated otherwise, the operational data in this Draft Red Herring Prospectus is presented on a basis and refers to the operations of our Company. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

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

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

USE OF MARKET DATA

Unless stated otherwise, market data used throughout this Draft Red Herring Prospectus was obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENT

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

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

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

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

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding you should read this section in conjunction with the sections titled “Our Business” beginning on page [●] and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page [●]. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any risk mentioned herein. The numbering of the Risk Factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

INTERNAL RISK FACTORS

Risks relating to Our Company

- We are party to certain legal proceedings that, if decided against us, could have an adverse effect on our business prospects and results of operations.***

A. Litigations pertaining to our Company

| Nature of Litigations | No. of Cases |
|------------------------------------|---------------------|
| Civil Proceedings | 2 |
| Employee related cases | 19 |
| Tax / Government Cases and Notices | 16 |
| Consumer Court Cases | 1 |

B. Litigations pertaining to our Promoter Group

| Nature of Litigations | No. of Cases |
|------------------------------|---------------------|
| Civil Proceedings | 2 |

For details on the litigation proceedings and notices mentioned above, please refer to section titles “Outstanding Litigations and Material Development” on page [●] of Draft Red Herring Prospectus.

- We largely depend on overseas manufacturers / vendors for the products we sell and the loss of, or a material change in, our business relationship with any such manufacturer / vendor could affect our business, results of operation and financial condition to that extent.***

Our business is highly dependent on our relationships with manufacturer abroad of the hi-tech import content from whom we source the equipments to cater to the requirements of our clients. Our top five principals / manufacturers accounted for approximately 57% of our total cost of goods sold in the financial year 2008-09. The loss or deterioration of our relationships with any such principal, the authorisation by principal of additional distributors, the sale of products by them directly to our customers or our failure to expand the services that we provide to them could affect our business, results of operation and financial condition to that extent.

- A significant portion of our revenues are derived from Government and government-controlled entities, who follow the tendering process for determination of suppliers. We may be adversely affected if we do not succeed in all or a majority of the contracts that we tender for***

Most entities in the power sector are either Government or Government-controlled entities. Contracts awarded by Government and government controlled entities are on basis of the tender-based process. We compete with various other power equipment providers while submitting bids to Government / Government controlled entities. In case we do not qualify for or are not amongst the lowest bidders, we stand to lose the business. We cannot assure that any of the bids we submit would be accepted/awarded

to us; therefore our ability to procure the business by bidding at the lowest rates is crucial for our revenues.

4. *Orders included in our order book may be delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position, revenues and earnings*

Our order book does not necessarily indicate future earnings related to the performance of the work. Orders. The order book represent business that is considered firm, but cancellations or scope or schedule adjustments may occur. We may also encounter problems executing the order as contracted, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone an order or cause its cancellation. We cannot predict with certainty when, if or to what extent an order in the book will be performed. Delays in the completion of an order can lead to clients delaying or refusing to make payment to us of some or all of the amounts we expect to be paid in respect of the order.

5. *Our success depends upon our ability to retain the Key Management and other personnel.*

Our success will significantly depend on the expertise, experience and continued efforts of our whole time directors, including our promoter Mr. Surinder Mehta, and our key managerial personnel. Our future performance may be affected by any disruptions in the continued service of these persons. There is a dearth of talent, including key managerial personnel, with related business experience.

Any cause leading to loss of service of any of them could seriously impact our ability to continue to manage and expand our business, thus adversely affecting our operations and financial condition.

6. *We may fail to attract and retain trained employees as competition for skilled personnel is intense.*

We operate in an industry which requires skilled technical resources and our success depends in large part upon our ability to attract, hire, train and retain qualified employees, including our ability to attract employees with needed skills in the geographic areas in which we operate. In the event we are not able to attract a high degree of talented employees, or experience higher attrition levels which are largely out of our control or are unable to motivate and retain our existing employees, the future of our business and operations may be affected.

7. *We may be subject to restrictive covenants under term loans and working capital facilities provided to us by our lender(s).*

We have availed of several loans and financial facilities from various banks and financial institutions namely; Punjab National Bank, Canara Bank and SIDBI ("our Lenders"). In respect of various agreements entered into by our Company with our Lenders and sanction letters issued by our Lenders to us, we are bound by certain restrictive covenants regarding capital structure and other restrictive covenants. For details of the loans availed, please refer chapter titled "General Information" on page [●] of the Draft Red Herring Prospectus. In compliance with such restrictive covenants, we have obtained the consent from Punjab National Bank, Canara Bank and SIDBI for the proposed issue.

8. *We have to renew or maintain statutory and regulatory permissions and licenses as required to operate our business and any delay or inability to obtain the same may have an adverse impact on our business.*

We require certain statutory and regulatory permissions, licenses and approvals to operate our business. Some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permissions or approvals in time or at all. Failure by us to renew, maintain or obtain the required permissions or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business. For details of pending approvals, see the Section titles "Government and Other Approvals" on page [●] of this Draft Red Herring Prospectus.

9. *Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse affect on our business operations*

Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business. Our insurance coverage is likely to cover all normal risks associated with our operations but there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

For further details, see the paragraph titled “Insurance” on page [●] of this Draft Red Herring Prospectus.

10. *Our success depends upon our ability to manage the growth of our business.*

In financial year 2008-09 our standalone income from operations (comprising net sales, service charges and commission) were Rs. 1,311.74 millions as compared to standalone income from operations (comprising net sales, service charges and commission) of Rs. 517.83 millions in the financial year 2005-06. The CAGR of our standalone income from operations (comprising net sales, service charges and commission) over the last three fiscal years stood at 36.32%.

We may not be able to sustain our growth or maintain a similar rate of growth in the future due to a variety of reasons including a decline in the demand for our products and services, increased competition, non-availability of professionals with necessary skill sets, lack of management resources or due to a general slowdown in the economy. Our inability to execute our growth strategy, to ensure the continued adequacy of our current systems or to manage our expansion effectively could have a material adverse effect on our business, results of operations, financial condition and cash flows.

11. *Our business is largely dependent upon the demand from power generation, transmission and distribution industry*

We are primarily in the business of providing hi-tech power equipments, systems and test instrumentations which find application in power and energy sector. The demand for our products is largely dependant on the power Industry. The demand for power in India is closely linked to economic growth in the Country, and to Government policies in the power sector. As the economy grows, economic activities, such as industrial production and personal consumption, also tend to expand, which increases the demand for power. If the Indian economy does not continue to grow at the current rate, it would adversely impact the power sector and hence the demand for our products, would have a material adverse effect on our business, financial condition and results of operations.

Risk relating to our Object of the Issue

12. *Our funding requirements and the deployment of the proceeds of the Issue are based on current business plan and management estimates and have not been independently appraised.*

Our funding requirements and the deployment of the proceeds of the Issue are based on current business plan and management estimates and have not been appraised by any bank or financial institution. Further, such estimates are based on market conditions and management expectations as of the date they were made. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. Significant revisions to our funding requirements or the deployment of Issue proceeds may result in the rescheduling of our project expenditure programs and an increase or decrease in our proposed expenditure for a particular project.

However Punjab National Bank, New Delhi has conducted Techno-Economic viability study of our project to manufacture transformers by our subsidiary Prime Electric Limited where a part of the proceeds are to be utilized in funding our equity contribution.

13. *We have not entered into any definitive agreement for purchase of land and have not placed orders for the machinery and equipments required for our proposed expansion program of precision engineering division.*

We have applied to HSIIDC for allotment of 4000 sq. meter of plot in Industrial area, Bawal. Our application is under process and we have yet to get allotment of land. Further we have not placed orders aggregating for the machinery and equipments required for our proposed capital expenditure. Any increase in total estimated project cost for setting up this project may impact our financial condition, results of operation and liquidity position adversely.

14. The proposed greenfield manufacturing facility of our Subsidiary, Prime Electric Limited is to manufacture 10,000 MVA / 400 KV class power transformers. We do not have prior experience in manufacturing the transformers.

The proposed greenfield manufacturing facility of our subsidiary, Prime Electric Limited, at SEZ Nayuduapet, Nellore, Andhra Pradesh would have the capacity to manufacture 10,000 MVA / 400 KV power transformers. We currently do not have prior experience in manufacture of transformers. However we have extensive knowledge of transformer industry as we have been supplying critical equipments for transformer testing and transformer health monitoring systems to the transformer manufacturers in India. Further we have also appointed senior technical professionals with vast experience in the transformer industry to manage the project of our Subsidiary.

15. The deployment of the Issue proceeds is entirely at the discretion of the Issuer and is not subject to any monitoring by an independent agency.

Our Company has not appointed any independent monitoring agency to monitor the utilization of the proceeds raised from this Issue. The Issue proceeds will be utilized at the sole discretion of our Management. However pursuant to Clause 49 of the listing agreement, our Board has empowered the Audit Committee to monitor the utilization of the proceeds of the Issue. For further details please refer to section titled “Objects of the Issue” on page [●] of this Draft Red Herring Prospectus.

16. An amount of Rs. [●] millions is being raised for General Corporate Purpose which constitutes [●]% of the total issue size, but no firm steps for utilisation of the amount has been taken

Out of Rs. [●] millions, we intend to utilized Rs. [●] millions constituting [●]% of the Issue Size, towards the general corporate purposes, including but not restricted to entering into strategic alliances, Partnership, purchase of office premises, brand building exercises, investment in other segments of the industry or any other purposes as approved by our Board of Directors.

For further details, please refer to the Section titled “Objects of the Iss” on page [●] of the Draft Red Herring Prospectus.

17. We could face currency exchange risks as a significant percentage of our products content is imported and denominated in foreign currencies.

The exchange rate between the Indian Rupee and various convertible foreign currencies has changed substantially in recent years and may continue to fluctuate significantly in the future. We import a significant portion of our product content from Europe, Japan and other countries which are denominated in in currencies of respective countries. Accordingly, our operating results have been and will continue to be impacted by fluctuations in the exchange rate between the Indian Rupee and such foreign currencies.

Risks relating to Our Shareholders and Equity Shares

18. Our Company has had negative cash flows in recent fiscal years, as indicated in the table below:

(in Rs. millions)

| Particulars | Year Ended Mar 31, 2009 | Year Ended Mar 31, 2008 | Year Ended Mar 31, 2007 |
|--|----------------------------|----------------------------|----------------------------|
| Net cash generated from / (used in) operating activities | 61.66 | (159.62) | (24.99) |
| Net cash generated from / (used in) investing activities | (166.21) | (317.25) | (39.53) |
| Net cash generated from / (used in) financing activities | 101.00 | 476.16 | 60.60 |

Our operating cash flows have been negative in the financial years ended March 31, 2007 and 2008 mainly because of increase in our operations which have resulted in substantial increase in inventories

maintained by us and sundry debtors. We expect our operating expenses to continue to increase as we continue to grow. If we do not achieve positive cash flow, we cannot assure you that we will be able to sustain our growth or achieve profitability in future periods. The cash flows from investing operations were negative because of increased capital investment including that in Windmills at Kutch.

19. We have not provided for certain contingent liabilities as on March 31, 2009, which if materializes could adversely affected our financial position.

As on March 31, 2009, we have not provided for the following contingent liabilities:

(Rs. In millions)

| Particulars | March 31, 2009 |
|---|----------------|
| IT Appeal pending before CIT(Appeals) | 2.48 |
| In Respect of Sales Tax (On account of sales tax form to be received from customer / rejection of sales tax exemption certificates issued by customers and in case of the payment the same is recoverable from customers) | 10.81 |
| Corporate guarantee given to Bank for loans taken by other company (Given to Planet PCI Infotech Ltd. for Non-Fund Based limit) | 10.00 |
| In Respect of Counter guarantee given to Bank/others | 190.10 |
| Total ➔ | 213.39 |

20. Certain of our promoter group entities and ventures of our Promoters have incurred losses during recent fiscal years.

Some of our Promoter Group entities have incurred losses in recent fiscal years, details of which are given below:

(Rs. In millions)

| Name of the Company | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|--|----------------|----------------|----------------|
| Prime Couriers India Private Limited | (0.01) | (0.01) | - |
| Prudent Manfin Consultants Private Limited | - | (0.01) | (0.01) |

21. We have entered into a number of related party transactions, which may involve conflict of interest

We have entered into a number of related party transactions. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. For further details, see the section titled “Financial Statements” beginning on page [●] of this Draft Red Herring Prospectus.

22. Our Promoters may have the ability to determine the outcome of any shareholder resolution.

Our Promoter Group will continue to be the largest shareholders, holding 73.38% of post-issue equity capital of the company. As significant shareholders, Our Promoters may have interests which may affect the interests of shareholders and/or our interests and may have the ability to determine the outcome of any shareholder resolution.

23. Any future equity offerings or issue of options under future employee stock option scheme may lead to dilution of investor’s shareholding in our company.

Purchasers of Equity Shares in this Issue may experience dilution of their shareholding to the extent we make future equity offerings and to the extent we decide to grant options to be issued under an employee stock option scheme. We do not have any ESOP scheme currently.

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

Our company has not declared any dividend during the preceding five financial years. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends.

EXTERNAL RISK FACTORS

1. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. All our major customers are located in India and most of our officers and directors are residents in India. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

2. *Regional or International hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government Policy. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our company's equity shares.*

3. *An economic downturn may negatively impact our company's operating results.*

Our revenues are largely dependent on goods or service provided to our customers operating in the Power Sector. Any economic slowdown may affect the economic health of these companies restricting their expenditures on future expansion plans. In an economic slowdown our customers may reduce or postpone their contracts, thereby negatively impacting our revenue and profitability.

4. *We depend on banks and financial institutions and other sources for meeting our short and medium term financial requirements.*

Any delay in the disbursement of funds from these bodies can be a bottleneck to our project execution capabilities and thereby our results of operations.

5. *Investors will not receive the Equity shares purchased in this issue until several days after they have paid for them, which will subject them to market risk.*

The Equity Shares purchased in this issue will not be credited to investor's demat account with depository participants until approximately 15 working days from the Bid/Issue closing date. Investors can start trading only after receipt of listing and trading approvals in respect of these Equity Shares which will require additional time after the credit of Equity shares into Investors demat account. Further, there can be no assurance that the equity Shares allocated will be credited to investor's demat account, or that the trading in the equity shares will commence, within the time periods specified above.

6. *An active market for the Equity shares may not develop which may cause the price of the equity shares to fall and may limit investor's ability to sell the Equity Shares.*

The Equity Shares are new issues of securities for which there is currently no trading market. Applications have been made to the BSE and NSE for the Equity Shares to be admitted to trading on the BSE and NSE. No assurance can be given that an active trading market for the equity shares will develop or as to the liquidity or sustainability of any such market, the ability of the holders of the Equity Shares to sell their Equity Shares or the price at which share holders will be able to sell their Equity Shares if an active market for the Equity Shares fail to develop or be sustain, the Trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at price that could be lower than the original Equity price of the issue.

7. *The market value of the Equity Shares may fluctuate due to the volatility of the securities markets.*

The securities markets are volatile and stock exchanges have in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges have experienced problems, which, if these were to continue or recur, could affect the market price and liquidity of the securities of Indian Companies, including the Equity Shares. The governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, time to time disputes have occurred between listed

companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on the market sentiment.

8. *Shareholders will bear the risk of fluctuation in the price of Equity Shares.*

The market price of the Equity shares may be affected by fluctuations in the stock markets and it is impossible to predict whether the price of the Equity Shares will rise or fall. Trading prices of the Equity Shares will be influenced by, among other things, our financial position, the results of operations and political, economic, financial and other factors.

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

Future issue of Equity Shares / convertible instruments by our company or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may significantly affect trading price of the Equity Shares. Other than the lock-in of Pre-issue capital as prescribed under SEBI ICDR Regulations, none of the shareholders are subject to any lock-up arrangements restricting their ability to issue Equity Shares or the Shareholder's ability to dispose of their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, his shares.

NOTES TO RISK FACTORS:

1. Public issue of 5,000,000 equity shares of Rs. 10 each of PCI Limited for cash at a price of Rs. [●] per equity share ("Issue Price") including share premium of Rs. [●] per equity share aggregating to Rs. [●] million (the "Issue"). The Issue will constitute 26.62% of the fully diluted post issue paid-up capital of our Company.
2. Undersubscription, if any, in any category would be met with spillover from other categories in accordance with applicable laws, regulations and guidelines. Investors may note that in case of over subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Bidders shall be made on a proportionate basis.
3. The Average Cost of Acquisition of our Equity Shares by our Promoters, Mr. Surinder Mehta, Mrs. Archana Mehta and Mr. Rohan Mehta is Rs. 3.49, Rs. 4.09 and Rs. 3.37 per Equity Share, respectively. For more information, see the section titled "Capital Structure" on page [●] of this Draft Red Herring Prospectus. The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amounts paid by them to acquire the Equity Shares currently held by them.
4. The Net Worth of our Company is Rs. 302.99 million, as at March 31, 2009, as per the restated financial statements of our Company under Indian GAAP in the section titled "Financial Statements" on [●] of this Draft Red Herring Prospectus.
5. The Net Asset Value per Equity Share was Rs. 21.98 as at March 31, 2009, as per the restated financial statements of our Company under Indian GAAP in the section titled "Financial Statements" on [●] of this Draft Red Herring Prospectus.
6. No part of the issue proceeds will be paid as consideration to our Promoters, our Directors, our key managerial employees or our promoter group companies or ventures except as mentioned in section "Interest of Promoters / Directors" in normal course of business, in the section "Interest of Key Managerial Personnel" and "Objects of the Issue" in respect of purchase of machinery, if any, by our Subsidiary, Prime Electric Limited as given on page [●], [●] and [●] respectively of this Draft Red Herring Prospectus.
7. For details on related party transactions, please refer to the section titled "Related Party Transaction" on page [●] of this Draft Red Herring Prospectus.
8. Our Promoter Group, Directors and their relatives have not financed the purchase by any other person of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Red Herring Prospectus with the Board.
9. Other than as stated in the section titled "Capital Structure" on page [●] of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
10. The Investors are advised to refer to the paragraph on "Basis for Issue Price" on page [●] of this Draft Red Herring Prospectus before making any investment in this Issue and "Basis of Allotment or Allocation" on page [●] of this Draft Red Herring Prospectus.

11. Trading in the Equity Shares of our Company for all investors shall be in dematerialised form only, after the Equity Shares are fully paid-up. For further details, see the section titled “Offering Information” on page [●] of this Draft Red Herring Prospectus.
12. Our Company and the BRLMs will update the offer document in accordance with the Companies Act and the SEBI ICDR Regulations and our company and the BRLMs will keep the public informed of any material changes relating to our company till the listing of our shares on the Stock Exchanges. No selective or additional information would be made available to a section of investors in any manner whatsoever.
13. Any clarification or information relating to the Issue shall be made available by the BRLMs, Compliance Officer and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
14. Investors may contact any of the BRLMs, Registrar to the Issue and Compliance Officer for any complaints, clarifications, etc. pertaining to the Issue.

SUMMARY OF INDUSTRY AND BUSINESS

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the following summary with the risk factors beginning on page [●] of this Draft Red Herring Prospectus and the more detailed information about PCI Limited and the financial statements included in this Draft Red Herring Prospectus.

INDUSTRY OVERVIEW

POWER INDUSTRY

Power is a critical infrastructure on which the socio-economic development of the country depends. Indian Power Industry has come a long way since independence during which the total power generated in the country stood at 1362 megawatt (MW). The government of India announced liberalization policy in 1991 and subsequent amendments in Electricity (Supply) Act opened the sectors for private participants and investments in the electricity industry. The installed capacity of 1362 MW in 1947 increased to 152148.41 MW as of August 2009 and with this India became the fifth largest producer and consumer of electricity in the world, equaling the capacities of UK and France, combined. The number of consumers connected to the Indian Power Grid is over 144 million

A recent study by consultancy major McKinsey estimates India's power demand to increase from the present capacity to 315 GW–335 GW by 2017, if India continues to grow at an average of 8 per cent over the next 10 years. This would require a five- to ten-fold rise in power production, entailing investments worth US\$ 600 billion over the next ten years. To feed its rapidly growing economy, India is planning to get an additional 60,000 MW of electricity from various hydro-power projects by the end of 2025. The Nuclear Agreement signed on October 10, 2008, has opened the door to India to meet its tremendous energy needs. This will result in growth for nuclear power in the country with the potential foreign entrants in the sector.

Segments of Industry Structure

The power sector comprises three segments, Generation, Transmission and Distribution. Majority of Generation, Transmission and Distribution capacities are with either public sector companies or with State Electricity (SEBs). The power sector in India is dominated by the government. The State and Central Government sectors account for 58% and 32% of the generation capacity respectively while the private sector accounts for about 10%. The bulk of the transmission and distribution functions are with State utilities. Transmission and Distribution (T&D) system comprises of transmission lines, transformers, substations, switching stations and distribution lines. In India, the T&D system is a three-tier structure comprising distribution networks, state grids, and regional grids. In India, SEBs are vertically integrated as intra-state distribution network and the grids are owned and operated by SEBs or state governments through SEBs. The transmission and sub-transmission systems supply power to the distribution system, which in turn supplies power to end-consumers. Distribution of power to end consumers is largely controlled by SEBs and licensees in the private sector.

Transformer industry

The Transformer Industry in India has been in the forefront for over 50 years and has a well matured technology base up to 800 KV class. Keeping pace with the developments the world over, it has attained the status of 'world class' over the period. The transformer industry is usually divided into Distribution Transformers, Power transformers and other types of special transformers for welding, traction, furnace etc. Some of the transformer manufacturers in India have successfully entered into technical collaborations with reputed overseas manufacturers and have developed the technology and cost effectiveness in their design and manufacture of the transformers. The industry over the period has matured into reliable suppliers of all types of transformers. Driven by strong R&D base at company as well as national level, the product is continuously upgraded to meet the emerging market requirements. In the global market, performance of the Indian product is acknowledged as technically at par with the leading international companies. Looking at present state of transformer industry, it can be seen that implementation of Accelerated Power Development Reform Program (APDRP) and introduction of Accelerated Rural Electrification Programme

(AREP) are responsible for increased business potential for the industry. There is a strong base of about 150 Transformer Companies in India, with an overall production over 90,000 MVA per annum. Besides meeting the domestic requirement, India is exporting transformers to over 50 countries covering USA, Europe, South Africa, Cyprus, Syria, Iraq and other Middle East and Far East countries all over the world. India is self-reliant in respect of the resources for prime materials and testing facilities. Manufacturing facility for CRGO, winding conductors, bushings up to 420KV class etc. are well established.

The transformer market in India is largely unorganized with very few organized players. The key organized players in this segment are ABB, BHEL, Bharat Bijlee, Emco, Vijai Electricals, Crompton Greaves and Areva T&D India.

UPS Market

In view high demand of power as against availability in our country, there is huge requirement of continuous good quality power in almost all the industry verticals. UPS systems are having wide application & acceptability among various industry segments like I.T, Banking, Telecom, Packaging, Plastic & polymers, Food processing, Textile, Pharmaceuticals, Hospitals, Aviations, Automotive, Textile, Cable, Broadcasting are a few to name. The growth has been witnessed across all segments. There are several factors driving the growth, the country is facing an acute power shortage & organisation are relying on UPS systems to fill the void. The major players in the UPS market in India are General Electric, Numeric Power Systems Limited, TATA Libert and PCI Limited.

Testing and measuring equipments for power sectors

The electric testing equipments in power sector includes equipment for cable fault location, protection system, switch maintenance, leak detection systems, extra high voltage test system and infrared thermal imaging camera. The major application of infrared imaging camera are location/ identification of problems in power plant equipments and machines such as transformers, switch gear, rotating machinery and cables before they cause breakdown. Further there are emergency restoration system for transmission lines and transformer condition monitoring systems with latest technology of Dissolved gas analysis (DGA). These equipments are manufactured by multinationals like Flir Systems Inc., Sweden, General Electrics; USA, Lindsey manufacturing company, USA. In India PCI limited is one of the company providing value addition to these imported equipment and there after undertake installation, commissioning and maintenance.

BUSINESS OVERVIEW

We are a diversified multi activity company primarily in the business of providing hi-tech power equipments, systems and test instrumentation which find applications in power and energy, telecom, railways, aviation, aerospace, and other allied industries. We undertake project execution which entails value addition to import contents and thereafter the installation, commissioning and as well as maintenance during warranty period and subsequently by way of Annual Maintenance Contracts (AMC's) due to exclusive and technical nature of the products offered to our clients. In most cases, the value addition, assembly and installation is carried out at the project site of our customers. The company also has a manufacturing facility at IMT Manesar, Gurgaon for manufacturing of precision engineering turbine parts and investment casting components and products. In addition, this manufacturing facility is also producing electronic testing and measuring instruments and is in the process of developing energy saver LED based lighting systems.

Our key customers includes Public & Private Power Utilities and power generation & transmission companies, various state electricity boards, Public Sector Undertakings, Transmission companies, leading Transformer and Power Plant equipment manufacturers and Railways. Some of our regular and repeat customers include leading companies like Bharat Heavy Electricals Limited (BHEL), Power Grid Corporation India Limited, NTPC Limited, Indian Space Research Organization (ISRO), Siemens Limited, Nokia India Private Limited, Jindal Power Limited, Tata Power Co. Limited, Crompton Greaves Limited, L&T Limited, K S Oils Limited, Bhushan Power & Steel Limited, etc. Amongst State Electricity Boards our major customers are Karnataka Power corporation Limited, Maharashtra State Electricity Transmission

Board, Bihar State Electricity Board, Assam Electricity Grid Corporation Limited, Chattisgarh State Electricity Board etc.

We have tie ups and have entered into agreements with some of the leading manufacturers abroad for the hi-tech import content from whom we source the equipments to cater to the technological solution based requirements of our clients for critical inputs which enable them to optimize their production efficiency while minimizing costs. Our core competence lies in meticulous identification of highly technical equipments and maintaining high standards of pre and post sales service. Certain of our major foreign associates from whom we import technical products and who form our top principals as per import value in financial year 2008-2009 are RPS S.p.a; Italy (formerly known as Aros S.r.l), Lindsey Manufacturing Co., USA; SebaKMT, Germany, FLIR Systems Inc, Sweden; Piller Germany GmbH & Co. KG, Germany, General Electric, Canada;; etc.

We also undertake execution of projects mainly relating to sub-station erection on turnkey basis. Currently we are executing a state of the art Coil Spring manufacturing unit for the Indian Railways at Gwalior in collaboration with M/s Bumar, a government of Poland Company. We have also forayed in to Power Generation by setting up of wind farm with power generation capacity of 4.50 MW at Kutch in Gujarat.

We are in the process of setting up a Transformer manufacturing project with installed capacity of 10000 MVA / 400 KV in a SEZ in district Nellore, Andhra Pradesh through our subsidiary, Prime Electric Limited. For details of this project please refer to the section titled “Objects of the Issue” beginning from page – of this document.

As on August 31, 2009, we have an order book of Rs. 1296.56 millions from our various customers. In financial year 2008-09 our standalone income from operations (comprising net sales, service charges and commission) were Rs. 1,311.74 millions and standalone net profit before taxes was Rs. 105.39 millions as compared to standalone income from operations (comprising net sales, service charges and commission) of Rs. 517.83 millions and standalone net profit before taxes of Rs. 13.28 millions respectively in the financial year 2005-06. The CAGR of our standalone income from operations (comprising net sales, service charges and commission) and standalone net profit before taxes over the last three fiscal years stood at 36.32% and 99.45%. For details of the financial statements refer to the section titled “Financial Statements” on page [●] of the Draft Red Herring Prospectus.

Our Strengths

We have over 23 years of industry experience which, coupled with our expertise and knowledge of the industry, positions us well to exploit the tremendous growth opportunities which India’s rapidly growing power sector is presently offering. Our following strengths and experiences helps us to compete successfully in our industry

Qualified and motivated employee base and management team

Our management team is well qualified and experienced in the industry and has been responsible for the rapid growth of our operations. Our chairman and managing director Mr. Surinder Mehta has over 31 years of experience in the industry and is the recipient of a number of prestigious awards including the most coveted “Padma Shri” by the President of India for his contribution in the field of “Technology Solutions”. In addition, our board of directors includes a combination of management as well as independent members that bring significant business experience to our company. Our senior management, listed in key management personnel on Page [●] has extensive experience in the industry.

We believe that a motivated and empowered employee base is essential to maintain our competitive advantage. As on August 31, 2009 we employ 531 full time employees, of which 89 are technical. The skills and diversity of our employees gives us the flexibility to adapt to the needs of our clients.

Wide product portfolio and ability to cater to diverse market requirements

We believe that we are one of the few manufacturer/ equipment provider in the country providing a vast range of hi-tech power equipment, systems and test instrumentation to power and other core sector

industries. We are also setting up a production facility through our subsidiary Prime Electric Ltd. to manufacture the entire range of Power transformers which will cater to diverse market requirements.

Wide customer base and long term customer relationship

We believe that we are preferred supplier to many utilities and power sector companies in India. This is because of our ability and our track record to provide technical solutions through our range of hi-tech power equipments, systems and test instruments to these customers on a continuous and uninterrupted basis. Since inception, we have maintained close relationship with our customers, based on our ability to customize and provide tailor made products and solutions as per technical requirements of client and requisite on-site and after sales service support. We have received large number of repeat orders from the power generation, transmission and distribution entities and from most of our industrial clients many of whom are our customers for more than a decade.

Project Execution, Value addition and Annual Maintenance Contracts for our imported products

We undertake project execution which entails manufacturing as well as value addition to the import content and thereafter the installation and commissioning as well as maintenance during warranty period and subsequently by way of Annual Maintenance Contracts (AMCs) for most of the products offered to our clients due to exclusive nature and extensive product knowledge and exclusive tie-ups and collaborations with the manufactures abroad

Tie-ups and Collaborations with leading manufacturers of products we deal in

We have exclusive tie ups and collaborations with some of the leading manufacturers abroad for imported products from whom we source the equipments to cater to the technological solutions requirements of our clients for critical inputs for their production processes. These enable them to optimize their production efficiency while minimizing the costs. Our core competence lies in meticulous identification of highly technical equipments and maintaining high standards of pre and post sales service. Some of our major principals from whom we import products are RPS S.p.a (Aros S.r.l, Italy, Lindsey Manufacturing Co., USA; SebaKMT, Germany; General Electric, Canada; etc.

Pan India reach and strong execution team

We are equipped to install commission and provide value addition services in any geographical area because of our pan India presence. With branch and service set up in all the four metros and also sales & service engineers at all other major & important cities, we are able to reach to our customers quickly in case of any requirements or unforeseen exigencies. Each branch has well-experienced and trained marketing and servicing man power resource, helping our clients to finalise the specifications, provide technical support and after sale service, which we believe gives us an edge over peers

THE ISSUE

| Particulars | Number of Equity Shares |
|--|--|
| Public Issue | 5,000,000 equity shares of face value Rs. 10 each at a premium of Rs. [●] for cash aggregating to Rs. [●] millions |
| Of which | |
| Qualified Institutional Buyers Portion | Upto 2,500,000 equity shares of face value Rs. 10 each at a premium of Rs. [●] for cash (allocation on proportionate basis), out of which upto 5% i.e. 125,000 equity shares shall be available for allocation on proportionate basis to Mutual Funds only and the balance 2,375,000 equity shares shall be available for allocation to all QIBs including Mutual Funds. |
| Non Institutional Portion | Atleast 750,000 equity shares of face value Rs. 10 each at a premium of Rs. [●] for cash |
| Retail Portion | Atleast 1,750,000 equity shares of face value Rs. 10 each at a premium of Rs. [●] for cash |
| Equity Shares outstanding prior to the Issue | 13,782,749 equity shares of face value Rs. 10 each |
| Equity Shares outstanding after the Issue | 18,782,749 equity shares of face value Rs. 10 each |
| Use of net proceeds | Please see the chapter titled “Objects of the Issue” on page [●] of this Draft Red Herring Prospectus. |

SUMMARY OF FINANCIAL STATEMENTS

The following is the summary of consolidated restated financial statements of the Company for the period ended March 31, 2009 and standalone restated financial statements of the Company as of and for the years ended March 31, 2005, 2006, 2007, 2008 and 2009 as described in the Auditors Report of Satish Aggarwal and Associates, Chartered Accountants in the section titled "Financial Statements" on page [●] of this Draft Red Herring Prospectus. These financial statements are prepared in accordance with Indian GAAP, Companies Act and SEBI ICDR Regulations.

RESTATED STATEMENT OF ASSETS AND LIABILITIES

Annexure I
In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|---|---------------------------------|---------------|---------------|---------------|---------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| A. FIXED ASSETS | | | | | |
| Gross Block | 631.37 | 601.68 | 316.24 | 278.61 | 203.49 |
| Less : Depreciation | 141.14 | 82.16 | 67.11 | 49.83 | 39.93 |
| Net Block | 490.23 | 519.52 | 249.13 | 228.78 | 163.56 |
| Capital Work in Progress | 153.77 | 20.55 | - | - | 9.91 |
| Total Before Revaluation Reserve | 644.00 | 540.07 | 249.13 | 228.78 | 173.47 |
| Less: Revaluation Reserve | - | - | - | 19.11 | 19.13 |
| Net Block after Revaluation Reserve | 644.00 | 540.07 | 249.13 | 209.67 | 154.34 |
| B. INVESTMENTS | 5.32 | 2.07 | 1.12 | 1.12 | 1.12 |
| C. CURRENT ASSETS, LOAN & ADVANCES | | | | | |
| Inventories | 167.46 | 108.91 | 77.29 | 70.41 | 66.24 |
| Sundry Debtors | 489.90 | 437.08 | 297.92 | 215.33 | 163.30 |
| Cash and Bank Balances | 10.01 | 13.56 | 14.27 | 18.19 | 9.53 |
| Loan and Advances | 144.47 | 96.78 | 62.65 | 43.43 | 43.37 |
| Total | 811.84 | 656.33 | 452.13 | 347.36 | 282.44 |
| LIABILITIES & PROVISIONS | | | | | |
| D. Secured Loans | 719.35 | 579.59 | 257.52 | 179.67 | 111.58 |
| Unsecured Loans | 23.78 | 12.50 | - | - | 0.32 |
| Deferred Tax Liability | 63.04 | 36.14 | 2.94 | 2.58 | 2.43 |
| Current Liabilities | 334.93 | 264.88 | 189.20 | 128.09 | 110.47 |
| Provision for Tax | 6.12 | 11.79 | 5.99 | 5.99 | 1.56 |
| Other Provisions | 10.95 | 54.44 | 80.93 | 97.43 | 72.79 |
| Total | 1,158.17 | 959.34 | 536.58 | 413.76 | 299.15 |
| Net Worth (A+B+C-D) | 302.99 | 239.13 | 165.80 | 144.40 | 138.75 |
| REPRESENTED BY | | | | | |
| SHARE CAPITAL | | | | | |
| E. Equity Share Capital* | 137.83 | 137.83 | 137.83 | 58.65 | 58.65 |
| RESERVES AND SURPLUS | | | | | |
| F. Reserve & Surplus | 165.16 | 101.30 | 27.97 | 104.86 | 99.23 |
| Less: Revaluation Reserve | - | - | - | 19.11 | 19.14 |
| Net Reserve & Surplus | 165.16 | 101.30 | 27.97 | 85.75 | 80.10 |
| Net Worth (E+F) | 302.99 | 239.13 | 165.80 | 144.40 | 138.75 |

* The Share Capital Includes bonus shares issued on 31st March 2007 for Rs. 79.18 Millions.

Note:

Since the revaluation reserve has been capitalised in the financial year 2006-07, the company has not considered depreciation on revaluation amount for the purpose of Restated Financial Statement

RESTATED STATEMENT OF PROFIT & LOSS ACCOUNT

Annexure II
In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|---|---------------------------------|-----------------|---------------|---------------|---------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| A. INCOME | | | | | |
| Sales | | | | | |
| Gross Sales | 1,148.48 | 976.52 | 550.27 | 428.86 | 370.62 |
| Less: Excise Duty | 8.54 | 6.15 | 2.18 | 0.69 | - |
| Sales Return | - | - | - | 0.01 | - |
| Net Sales | 1,139.94 | 970.37 | 548.09 | 428.16 | 370.62 |
| Service Charges | 64.07 | 36.85 | 36.34 | 25.49 | 19.75 |
| Commission | 107.73 | 65.17 | 86.08 | 64.18 | 45.23 |
| Other Income | 69.66 | 92.27 | 102.27 | 40.76 | 30.37 |
| Total | 1,381.40 | 1,164.66 | 772.78 | 558.59 | 465.97 |
| B. EXPENDITURE | | | | | |
| Cost of Goods Sold | 748.52 | 532.88 | 393.97 | 276.27 | 230.88 |
| Job work & Bought out services | 8.59 | 5.70 | 5.01 | 1.21 | 1.25 |
| Power & Fuel | 6.90 | 9.69 | 4.82 | 0.95 | 0.44 |
| Employees' Cost | 159.13 | 123.96 | 87.03 | 61.03 | 44.93 |
| Administrative & Selling expenses | 213.18 | 261.03 | 141.13 | 115.39 | 94.24 |
| Assets Discarded | - | 3.29 | - | - | - |
| Provision for after sales service expenses | - | 46.41 | 75.61 | 59.92 | 60.68 |
| Total | 1,136.32 | 982.96 | 707.57 | 514.77 | 432.42 |
| Profit Before Depreciation, Interest & Tax (A-B) | 245.08 | 181.70 | 65.21 | 43.82 | 33.55 |
| Interest and Finance expenses | 80.20 | 41.95 | 35.14 | 19.95 | 17.36 |
| Profits Before Depreciation & Tax | 164.88 | 139.75 | 30.07 | 23.87 | 16.19 |
| Depreciation | 59.49 | 22.20 | 19.38 | 10.59 | 18.05 |
| Profits Before Tax | 105.39 | 117.55 | 10.69 | 13.28 | (1.86) |
| Less: | | | | | |
| Current Year's Tax | 11.30 | 10.18 | 5.20 | 4.20 | 2.82 |
| Deferred Tax Liability | 26.91 | 33.19 | 0.35 | 0.15 | (4.34) |
| Fringe Benefit Tax | 4.45 | 3.87 | 2.83 | 3.27 | - |
| Wealth Tax | 0.05 | 0.03 | 0.02 | 0.01 | - |
| Add | | | | | |
| MAT Credit | 1.18 | 3.05 | - | - | - |
| Profits After Tax | 63.86 | 73.33 | 2.29 | 5.65 | (0.34) |
| Balance brought forward from Previous Year | 101.29 | 27.97 | 104.86 | 99.22 | 99.57 |
| Less: Capitalisation of Reserves (Bonus Issue) | - | - | 79.18 | - | - |
| BALANCE CARRIED TO SUMMARY OF ASSETS & LIABILITIES | 165.16 | 101.29 | 27.97 | 104.86 | 99.23 |

Note:

Since the revaluation reserve has been capitalised in the financial year 2006-07, the company has not considered depreciation on revaluation amount for the purpose of Restated Financial Statement

Summary of Consolidated Financial Statements

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Annexure I
In Rupees Millions

| PARTICULARS | For the Financial Year ended on |
|---|---------------------------------|
| | 31.03.2009 |
| A. GOODWILL | 10.52 |
| B. FIXED ASSETS | |
| Gross Block | 631.66 |
| Less : Depreciation | 141.19 |
| Net Block | 490.47 |
| Capital Work in Progress | 153.77 |
| Total | 644.24 |
| C. INVESTMENTS | 3.11 |
| D. CURRENT ASSETS, LOAN & ADVANCES | |
| Inventories | 167.46 |
| Sundry Debtors | 500.66 |
| Cash and Bank Balances | 33.13 |
| Loan and Advances | 132.46 |
| Total | 833.71 |
| E. LIABILITIES & PROVISIONS | |
| Secured Loans | 719.35 |
| Unsecured Loans | 23.78 |
| Deferred Tax Liability | 63.04 |
| Current Liabilities | 334.11 |
| Provision for Tax | 6.43 |
| Other Provisions | 10.95 |
| Total | 1,157.66 |
| Net Worth (A+B+C+D-E). | 333.92 |
| REPRESENTED BY | |
| SHARE CAPITAL | |
| F. Equity Share Capital | 137.83 |
| G. RESERVES AND SURPLUS | |
| Reserve & Surplus | 173.94 |
| H. MONIORITY INTEREST | 22.15 |
| Net Worth (F+G+H) | 333.92 |

STATEMENT OF PROFIT & LOSS ACCOUNT, AS RESTATED

Annexure II

In Rupees Millions

| PARTICULARS | For the Financial Year ended on |
|---|---------------------------------|
| | 31.03.2009 |
| A. INCOME | |
| Sales | |
| Gross Sales | 1,221.56 |
| Less: Excise Duty | 8.54 |
| Net Sales | 1,213.02 |
| Service Charges | 64.07 |
| Commission | 107.73 |
| Other Income | 69.83 |
| Total | 1,454.65 |
| B. EXPENDITURE | |
| Cost of Goods Sold | 804.36 |
| Job work & Bought out services | 8.59 |
| Power & Fuel | 6.90 |
| Employees' Cost | 161.52 |
| Administrative & Selling expenses | 217.04 |
| Assets Discarded | - |
| Total | 1,198.41 |
| Profit Before Depreciation, Interest & Tax (A-B) | 256.24 |
| Interest and Finance expenses | 81.03 |
| Profits Before Depreciation & Tax | 175.21 |
| Depreciation | 59.50 |
| Profits Before Tax | 115.71 |
| Less: | |
| Current Year's Tax | 13.08 |
| Deferred Tax Liability | 26.91 |
| Fringe Benefit Tax | 4.45 |
| Wealth Tax | 0.05 |
| Add | |
| MAT Credit | 1.18 |
| Profits After Tax | 72.40 |
| Balance brought forward from Previous Year | 101.30 |
| BALANCE CARRIED TO SUMMARY OF ASSETS & LIABILITIES | 173.70 |

GENERAL INFORMATION

Our Company was originally incorporated as Prime Chemfert Industries Private Limited on February 13, 1986 under the Companies Act, 1956 with Registrar of Companies NCT Delhi & Haryana. Subsequently our Company was converted into a public limited company w.e.f. October 28, 1991 in the name of Prime Chemfert Industries Limited. The name of our Company was further changed to PCI Limited on September 29, 1995.

Registered Office

Prime Group Building
11/5B, Pusa Road
New Delhi - 110 005
Tel.: +91 11 4188 8999
Fax: +91 11 2575 5815
Email: ipo@prime-pci.com
Website: www.pci-india.com

Factory

Plot No. 300, Sector - 6
IMT Manesar
Gurgaon - 122 050
Tel.: +91 124 472 9999
Fax: +91 124 436 7399

Corporate Identification Number: U74899DL1986PLC023329

Registrar of Companies

Registrar of Companies, NCT of Delhi & Haryana,
IFCI Tower, 61 Nehru Place, New Delhi - 110 019

Board of Directors of the Company

| Sr. No. | Name | Designation | DIN | Status |
|---------|--|---------------------------------|----------|---|
| 1 | Mr. Surinder Mehta S/o Mr. B. L. Mehta | Chairman & Managing Director | 00010122 | Chairman cum Managing Director Re- appointed for a period of 5 years w.e.f. 01/10/2008 |
| 2. | Mrs. Archana Mehta W/o Mr. Surinder Mehta | Director | 00010468 | Non-executive Director Liable to retire by rotation |
| 3. | Mr. Rohan Mehta S/o Mr. Surinder Mehta | Whole Time Director | 01510489 | Executive Director Appointed for a period of 5 years w.e.f. 01/10/2008 |
| 4. | Mr. Vijay Sarpal S/o Late Mr. Kundan Lal Sarpal | Whole Time Director | 00010455 | Executive Director Re-appointed for a period of 5 years w.e.f. 01/10/2008 |
| 5. | Mr. Chandra Prakash Jain S/o Mr. Nemi Chand Jain | Director | 00011964 | Non-executive Independent Director Liable to retire in next Annual General Meeting |
| 6. | Mr. Inder Pal Singh S/o Dr. Harbhajan Singh | Director | 00023333 | Non-executive Independent Director Liable to retire by rotation |
| 7. | Dr. Kamalaksha Uggappa Mada S/o Mr. Derebail Uggappa Mada | Director | 00011395 | Non-executive Independent Director Liable to retire by rotation |
| 8. | Mr. Ramesh Chandra Sharma S/o Late Mr. Guran Diwaya Sharma | Director | 00023274 | Non-executive Independent Director Liable to retire by rotation |

Company Secretary and Compliance Officer

Mr. Raghav Shukla, Company Secretary & Chief Manager - Legal
 PCI Limited
 Prime Group Building
 11/5B, Pusa Road,
 New Delhi - 110 005
 Tel.: +91 11 4188 8999
 Fax: +91 11 2575 5815
 Email: ipo@prime-pci.com
 Website: www.pci-india.com

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

BOOK RUNNING LEAD MANAGER

SPA Merchant Bankers Limited

SEBI Regn. No.: INM 000010825
 25, C - Block, Community Centre
 Janak Puri, New Delhi - 110 058
 Tel.: +91 11 4567 5500, 2551 7371
 Fax: +91 11 2551 7371
 E-mail: pci.ipo@spagroupindia.com
 Website: www.spacapital.com
 Contact Person : Mr. Nitin Somani

LEGAL ADVISORS TO THE ISSUE

Vaish Associates, Advocates

Flat# 5, 6 & 7
 10 Hailey Road
 New Delhi - 110 001
 Tel. +91 11 4249 2525
 Fax +91 11 2332 0484
 Email: delhi@vaishlaw.com
 Contact Person: Mr. Satwinder Singh / Mr. Manish Tully

REGISTRAR TO THE ISSUE

Karvy Computershare Private Limited

SEBI Regn.: INR 000000221
 Unit : PCI Limited
 Plot No. 17-24, Vithalrao Nagar,
 Madhapur, Hyderabad - 500 081
 Tel. +91 40 2342 0815-820, Toll free: 1-800-3454001
 Fax +91 40 2342 0814
 Email: einward.ris@karvy.com
 Website: www.karvy.com
 Contact Person: Mr. M Murali Krishna

SYNDICATE MEMBERS

[●]

ESCROW COLLECTION BANKS

[●]

BANKERS TO THE COMPANY

Punjab National Bank

5 Sansad Marg, New Delhi - 110 001
Tel. +91 11 2371 8510, 2371 0021
Fax +91 11 2331 9430

Canara Bank

Prime Corporate Branch
2nd Floor, World Trade Centre
Barakhamba Lane
New Delhi - 110 001

SELF CERTIFIED SYNDICATE BANKS

The list of banks who have been notified by SEBI to act as Self Certified Syndicate Banks (SCSBs) for ASBA process are provided at <http://www.sebi.gov.in/pmd/scsb.pdf>

AUDITORS TO THE COMPANY

Satish Aggarwal & Associates

1st Floor, 4/5B, Asaf Ali Road
New Delhi - 110 002
Telefax: +91 11 2326 2956
E-mail: satishca@airtelmail.in
Contact Person: Mr. Dharender Kumar / Mr. Jayant Harlalka

IPO GRADING AGENCY

[●]

IPO GRADING

This issue being has been graded by [●] and has been assigned [●] indicating the fundamentals of the issue are [●]. The IPO Grading is assigned on a 5 point scale from 1 to 5 with [●] indicating strong fundamentals and [●] indicating poor fundamentals. For details in relation to report of grading agency please refer to “Grading Rationale” on page [●] of this Draft Red Herring Prospectus.

MONITORING AGENCY

There is no requirement for a monitoring agency in terms of Regulation 16(1) of the SEBI ICDR Regulations. The Audit Committee of our Board would monitor the utilization of the proceeds of the Issue. For details please refer to section titled ‘Objects of the Issue’ on page [●] of Draft Red Herring Prospectus.

APPRIISING AGENCY

The issue has not been appraised.

CREDIT RATING

This being an issue of equity shares, there is no requirement of credit rating of the issue.

TRUSTEES

As the issue is of Equity Shares, the appointment of Trustees is not required.

BOOK BUILDING PROCESS IN BRIEF

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

The principal parties involved in the Book Building Process are:

- Our Company
- Book Running Lead Manager

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

The primary responsibility of building the book shall be that of the lead book runner.

The Equity Shares are being offered to the public through the 100% Book Building Process in accordance with the SEBI ICDR Regulations wherein: (i) upto 50% of the Issue shall be allocated on a proportionate basis to QIBs, including upto 5% of the QIB Portion that shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds; (ii) atleast 15% of the Issue shall be available for allocation on a proportionate basis to the Non-Institutional Bidders and (iii) atleast 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

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

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

The process of bidding through the ASBA process by ASBA Investors under the SEBI Circular dated July 30, 2008 may be subject to change from time to time which may either be of a clarificatory nature or otherwise and ASBA Investors are advised to make their own judgment about investment through this process prior to submitting a Bid-cum-ASBA Form to SCSB.

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

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

Illustration of Book Building and Price Discovery Process

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

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

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

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

Steps to be taken for bidding:

1. Check eligibility for bidding (see the section titled “Offering Information - Who Can Bid” on page [●] of this Draft Red Herring Prospectus);
2. Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
3. Ensure that you have mentioned your PAN on the Bid-cum-Application Form (see the section titled “Offering Information” on page [●] of this Draft Red Herring Prospectus);
4. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid-cum-Application Form.
5. The Bidder should ensure the correctness of his or her Demographic Details (as defined in the section Offering Information -Bidder’s Depository Account Details” on page [●] given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
6. Bids by ASBA Bidders will only have to be submitted to the SCSB. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid cum ASBA Form is not rejected.

WITHDRAWAL OF THE ISSUE

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

BID/ISSUE PROGRAMME

| | |
|------------------------------|------------|
| BID / ISSUE OPENS ON | [●] |
| BID / ISSUE CLOSES ON | [●] |

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000 and 5.00 p.m. in case of Bids by Retail Individual Bidders and Eligible Employees where the Bid Amount is up to Rs. 1,00,000 (which may be extended from time to time by the Stock Exchanges at the request of the BRLMs). Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Bidders should specifically note that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Company, the Selling Shareholder, the BRLMs and the Syndicate Members shall not be responsible.

Bidding will not take place on Saturdays, Sundays and Public Holidays. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE. Bids will be accepted only on working days i.e. Monday to Friday (excluding public holidays).

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

We will decide the Price Band in consultation with the BRLM. The announcement on the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate.

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

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

Underwriters to the Issue

After the determination of the Issue Price and allocation of the Equity Shares but prior to filing of the Prospectus with the ROC, the Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue except for ASBA Bids. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations save and except for underwriting obligations resulting from ASBA Bids..

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

| Details of Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten (Rs. in Million) |
|-------------------------|---|--------------------------------------|
| [•] | [•] | [•] |

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

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

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

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to 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.

CAPITAL STRUCTURE

The Share Capital of our Company as of the date of this Draft Red Herring Prospectus is set forth below

In Rupees millions (except share data)

| Particulars | Aggregate Value at Nominal Price | Aggregate Value at Issue Price |
|---|-------------------------------------|-----------------------------------|
| (A) Authorised Share Capital 20,000,000 equity shares of face value Rs. 10 each | 200.00 | |
| (B) Issued, Subscribed and Paid up share capital before the Issue 13,782,749 equity shares of face value Rs. 10 each | 137.83 | |
| (C) Present Issue in terms of this Draft Red Herring Prospectus 5,000,000 equity shares of face value Rs. 10 each | 50.00 | [●] |
| (D) Paid up share capital after the Issue 18,782,749 equity shares of face value Rs. 10 each | 187.83 | |
| (E) Securities Premium Account Before the Issue | Nil | |
| After the Issue | [●] | |

Notes to the Capital Structure:

1. Changes in Authorised Share Capital

The details of changes in authorised share capital of our company since Incorporation are as follows

| Date of Meeting | Cumulative No. of Equity Shares | Face Value (Rs.) | Authorised Share Capital (in Rs.) | Particulars (Authorised Share Capital comprises of equity shares of face value Rs. 10/- each only) |
|---------------------|---------------------------------------|------------------------|---|---|
| Since Incorporation | 150,000 | 10 | 1,500,000 | - |
| February 17, 1990 | 250,000 | 10 | 2,500,000 | Capital increased from Rs. 1,500,000 to Rs. 2,500,000 |
| February 17, 1995 | 1,000,000 | 10 | 10,000,000 | Capital increased from Rs. 2,500,000 to Rs. 10,000,000 |
| March 8, 1996 | 5,000,000 | 10 | 50,000,000 | Capital increased from Rs. 10,000,000 to Rs. 50,000,000 |
| March 16, 1998 | 10,000,000 | 10 | 100,000,000 | Capital increased from Rs. 50,000,000 to Rs. 100,000,000 |
| January 25, 2007 | 20,000,000 | 10 | 200,000,000 | Capital increased from Rs. 100,000,000 to Rs. 200,000,000 |

2. Equity Share Capital History

| Date of Allotment of Equity Shares | No. of Equity Shares | Cumulative No. of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Cumulative Paid up share Capital (Rs.) | Nature of consideration | Category of Allottees |
|---------------------------------------|----------------------------|---------------------------------------|------------------------|-------------------------|--|----------------------------|---|
| February 19, 1986 | 500 | 500 | 10 | 10 | 5000 | Cash | Subscribers to MOA ¹ |
| March 31, 1987 | 40,000 | 40,500 | 10 | 10 | 405,000 | Cash | Promoter Group |
| March 31, 1990 | 70,000 | 110,500 | 10 | 10 | 1,105,000 | Cash | Promoter Group |
| August 7, 1991 | 53,750 | 164,250 | 10 | 10 | 1,642,500 | Cash | Promoter Group |
| June 30, 1992 | 40,050 | 204,300 | 10 | 10 | 2,043,000 | Cash | Promoter Group & Others |
| October 15, 1994 | 45,700 | 250,000 | 10 | 10 | 2,500,000 | Cash | Promoter Group & Others |
| February 17, 1995 | 20,000 | 270,000 | 10 | 10 | 2,700,000 | Cash | Promoter Group |
| March 26, 1996 | 1,350,000 | 1,620,000 | 10 | - | 16,200,000 | Bonus | Promoter Group & Others ² |
| March 31, 1999 | 4,320,000 | 5,940,000 | 10 | 10 | 59,400,000 | Other than cash | Promoter Group ³ |
| March 31, 1999 | (75,000) | 5,865,000 | 10 | NA | 58,650,000 | NA | Cancellation of equity shares ⁴ |
| March 30, 2007 | 7,917,749 | 13,782,749 | 10 | - | 137,827,490 | Bonus | Promoter Group & Others ⁵ |

¹ The Subscribers to the Memorandum of Association of the Company are Mr. Surinder Mehta, Mrs. Archana Mehta, Mrs. Uma Mehta, Mr. Rajan Saigal and Mrs. Shobha Saigal.

² The Company had issued bonus shares to the members in the ratio of 5:1 by utilizing accumulated profits lying to the credit of Profit and Loss account.

³ In terms of the order of the Hon'ble High Court of Delhi dated December 15, 1998 in the matter of amalgamation of Brecko Precision Engineering Private Limited with PCI Limited, 4,320,000 equity shares were allotted by the Company to the members of Brecko Precision Engineering Private Limited in the ratio of 36 equity shares of face value Rs. 10 each of PCI Limited against every 10 equity shares of face value Rs. 10 each held in Brecko Precision Engineering Private Limited. For further details on the Scheme of Amalgamation, please refer to page [●] of the Draft Red Herring Prospectus.

⁴ Pursuant to the Scheme of Amalgamation of Brecko Precision Engineering Private Limited with PCI Limited as approved by the Hon'ble High Court of Delhi, 75,000 equity shares of face value Rs. 10 each held by Brecko Precision Engineering Private Limited in PCI Limited were cancelled.

⁵ The Company had issued bonus shares to the members in the ratio of 1.35:1 by utilizing amount lying to the credit of Revaluation Reserve (Rs. 19,233,758), Capital Reserve (Rs. 59,777,011) and Profit and Loss account (Rs. 119,045).

3. Capital build up of existing shareholding of Promoters

| Name of Promoter | Date of Acquisition | No. of Equity Shares | Issue/Acquisition Price (Rs.) | Particulars |
|--------------------|---------------------|----------------------|-------------------------------|------------------------------------|
| Mr. Surinder Mehta | February 19, 1986 | 100 | 10 | Subscriber to MOA |
| | March 31, 1990 | 30,000 | 10 | Allotment for cash |
| | August 7, 1991 | 29,475 | 10 | Allotment for cash |
| | November 16, 1991 | 200 | 10 | Purchased for cash |
| | June 30, 1992 | 27,000 | 10 | Allotment for cash |
| | October 15, 1994 | 17,300 | 10 | Allotment for cash |
| | February 17, 1995 | 10,700 | 10 | Allotment for cash |
| | March 26, 1996 | 5,73,875 | Nil | Bonus Issue |
| | March 31, 1999 | 25,20,000 | 10 | Pursuant to Scheme of Amalgamation |
| | March 30, 2007 | 43,31,677 | Nil | Bonus Issue |
| | Total | 75,40,327 | | |
| Mrs. Archana Mehta | February 19, 1986 | 100 | 10 | Subscriber to MOA |
| | March 31, 1990 | 4000 | 10 | Allotment for cash |
| | August 7, 1991 | 3125 | 10 | Allotment for cash |
| | March 26, 1996 | 36,125 | Nil | Bonus Issue |
| | March 31, 1999 | 9,00,000 | 10 | Pursuant to Scheme of Amalgamation |
| | March 30, 2007 | 12,73,522 | Nil | Bonus Issue |
| | Total | 22,16,872 | | |
| Mr. Rohan Mehta | March 31, 1990 | 10,000 | 10 | Allotment for cash |
| | August 7, 1991 | 3,450 | 10 | Allotment for cash |
| | August 7, 1991 | 30,100 | 10 | Purchased for cash |
| | June 30, 1992 | 1,500 | 10 | Allotment for cash |
| | February 17, 1995 | 5,000 | 10 | Allotment for cash |
| | March 26, 1996 | 2,50,250 | Nil | Bonus Issue |
| | March 31, 1999 | 9,00,000 | 10 | Pursuant to Scheme of Amalgamation |
| | March 30, 2007 | 16,20,405 | Nil | Bonus Issue |
| | Total | 28,20,705 | | |

4. Promoters Contribution and Lock-in

We had issued 7,917,749 fully paid up equity shares of face value Rs. 10 each to our members as bonus on March 30, 2007 by capitalization of reserves / accumulated profits available in Capital Reserve account, Revaluation Reserve account and Profit & Loss account, as disclosed in Note No. 2(5) under this Chapter. The paid up value of equity shares allotted as bonus shares in the proportion of revaluation reserve utilised

(i.e. Rs. 19,233,758) to the total amount capitalized (i.e. Rs. 79,177,490) (i.e. 1:1.12 approximately) has been considered as bonus shares issued out of revaluation reserve to the members of our Company. The calculation of the proportionate shares acquired by the Promoters from capitalization of revaluation reserve out of the total bonus shares allotted as on March 30, 2007 is as under:

| Name of Promoter | No. of shares allotted as Bonus | Shares issued out of revaluation reserve (as proportion of revaluation reserve utilized to the total amount capitalized) | Shares eligible for lock-in as Promoters Contribution |
|--------------------|---------------------------------|--|---|
| Mr. Surinder Mehta | 4,331,677 | 1,052,249 | 3,279,428 |
| Mrs. Archna Mehta | 1,273,522 | 309,364 | 964,158 |
| Mr. Rohan Mehta | 1,620,405 | 393,628 | 1,226,777 |
| Total → | 7,225,604 | 1,755,241 | 5,470,363 |

Such equity shares issued out of revaluation reserved, as calculated above, are not locked in as Promoters Contribution in compliance with the provisions of Regulation 33 of the SEBI ICDR Regulations.

The following shares held by Promoters are locked-in as Promoters Contribution:

| Name of Promoter | Date of acquisition / when fully paid up | Nature of allotment | No. of equity shares | Acquisition Price | % of pre-issue paid up capital | % of post issue paid up capital | Lock-in period |
|--------------------|--|---------------------|----------------------|-------------------|--------------------------------|---------------------------------|----------------|
| Mr. Surinder Mehta | March 30, 2007 | Bonus | 2,278,062 | Nil | 16.53 | 12.13 | 3 years |
| Mrs. Archna Mehta | March 30, 2007 | Bonus | 669,755 | Nil | 4.86 | 3.56 | 3 years |
| Mr. Rohan Mehta | March 30, 2007 | Bonus | 852,183 | Nil | 6.18 | 4.54 | 3 years |
| Total → | | | 3,800,000 | | 27.57 | 20.23 | |

All Equity Shares, which are being locked in are eligible for computation of Promoters contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked for 3 years in under Regulation 36(a) of the SEBI ICDR Regulations.

Our Promoters, Mr Surinder Mehta, Mrs. Archna Mehta and Mr. Rohan Mehta have, by a written undertaking, consented to have 3,800,000 equity shares held by them to be locked in as Promoters contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Draft Red Herring Prospectus with the Board till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus. The equity shares under the Promoters contribution will constitute 20.23% of our post-issue paid up share capital.

The entire pre-issue shareholding of the Promoters, other than the Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Details of share capital locked in for one year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 9,982,749 equity shares shall be locked in for a period of one year from the date of allotment of Equity shares in this Issue. The securities which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form shall be locked-in by the respective depositories.

Other requirements in respect of lock-in:

- In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as minimum promoters' contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

- b) In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
- c) Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

5. Our Shareholding Pattern

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

| Category of Shareholders | Pre-Issue Holding | | Post-Issue Holding | |
|---------------------------------------|-------------------|---------------|--------------------|---------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Promoters & Promoter Group | | | | |
| Promoters | | | | |
| Mr. Surinder Mehta | 7,540,327 | 54.71 | 7,540,327 | 40.14 |
| Mrs. Archna Mehta | 2,216,872 | 16.08 | 2,216,872 | 11.80 |
| Mr. Rohan Mehta | 2,820,705 | 20.47 | 2,820,705 | 15.02 |
| Sub total (A) | 12,577,904 | 91.26 | 12,577,904 | 66.97 |
| Promoter Group | | | | |
| Ms. Sneha Mehta | 80,370 | 0.58 | 80,370 | 0.43 |
| Surinder Mehta (HUF) | 411,720 | 2.99 | 411,720 | 2.19 |
| PCI Leasing & Finance Private Limited | 564,000 | 4.09 | 564,000 | 3.00 |
| Prime Courier India Private Limited | 141,000 | 1.02 | 141,000 | 0.75 |
| Sub-total (B) | 1,197,090 | 8.68 | 1,197,090 | 6.37 |
| Total Promoters holding (C) | 13,774,994 | 99.94 | 13,774,994 | 73.34 |
| Others | | | | |
| Mr. Vijay Sarpal | 7,755 | 0.06 | 7,755 | 0.04 |
| Total Others (D) | 7,755 | 0.06 | 7,755 | 0.04 |
| Public Issue (E) | - | - | 5,000,000 | 26.62 |
| Total [(C)+(D)+(E)] | 13,782,749 | 100.00 | 18,782,749 | 100.00 |

6. Equity Shares held by Top Ten Shareholders

- (a) Our shareholders and the number of Equity Shares of Rs. 10 each held by them as on the date of filing this Draft Red Herring Prospectus with SEBI is as follows:

| S. No. | Name of the Shareholders | No. of Equity Shares | % of total Shareholding |
|--------|---------------------------------------|----------------------|-------------------------|
| 1 | Mr. Surinder Mehta | 7,540,327 | 54.71 |
| 2 | Mr. Rohan Mehta | 2,820,705 | 20.47 |
| 3 | Mrs. Archna Mehta | 2,216,872 | 16.08 |
| 4 | PCI Leasing & Finance Private Limited | 564,000 | 4.09 |
| 5 | Surinder Mehta (HUF) | 411,720 | 2.99 |
| 6 | Prime Courier India Private Limited | 141,000 | 1.02 |
| 7 | Ms. Sneha Mehta | 80,370 | 0.58 |
| 8 | Mr. Vijay Sarpal | 7,755 | 0.06 |
| | Total | 13,782,749 | 100.00 |

- (b) Our shareholders and the number of Equity Shares of Rs. 10 each held by them 10 days prior to date of filing this Draft Red Herring Prospectus with SEBI is as follows:

| S. No. | Name of the Shareholders | No. of Equity Shares | % of total Shareholding |
|--------|---------------------------------------|----------------------|-------------------------|
| 1 | Mr. Surinder Mehta | 7,540,327 | 54.71 |
| 2 | Mr. Rohan Mehta | 2,820,705 | 20.47 |
| 3 | Mrs. Archana Mehta | 2,216,872 | 16.08 |
| 4 | PCI Leasing & Finance Private Limited | 564,000 | 4.09 |
| 5 | Surinder Mehta (HUF) | 411,720 | 2.99 |
| 6 | Prime Courier India Private Limited | 141,000 | 1.02 |
| 7 | Ms. Sneha Mehta | 80,370 | 0.58 |
| 8 | Mr. Vijay Sarpal | 7,755 | 0.06 |
| | Total | 13,782,749 | 100.00 |

- (c) Our shareholders and the number of Equity shares of Rs. 10 each held by them two years prior to date of filing of this Draft Red Herring Prospectus with SEBI is as follows:

| S. No. | Name of the Shareholders | No. of Equity Shares | % of total Shareholding |
|--------|---------------------------------------|----------------------|-------------------------|
| 1 | Mr. Surinder Mehta | 7,540,327 | 54.71 |
| 2 | Mr. Rohan Mehta | 2,820,705 | 20.47 |
| 3 | Mrs. Archana Mehta | 2,216,872 | 16.08 |
| 4 | PCI Leasing & Finance Private Limited | 564,000 | 4.09 |
| 5 | Surinder Mehta (HUF) | 411,720 | 2.99 |
| 6 | Prime Courier India Private Limited | 141,000 | 1.02 |
| 7 | Ms. Sneha Mehta | 80,370 | 0.58 |
| 8 | Mr. Vijay Sarpal | 7,755 | 0.06 |
| | Total | 13,782,749 | 100.00 |

7. Our Promoter Group has not sold or purchased any equity shares of our Company during the period of six months preceding the date of this Draft Red Herring Prospectus.
8. Our Promoter Group, Directors and their relatives have not financed the purchase by any other person of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Red Herring Prospectus with the Board.
9. As on the date of filing of this Draft Red herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or shareholders or any other person any option to acquire our Equity Shares after the Initial Public Offer.
10. We have not made any issue of equity shares at a price lower than the Issue price during the preceding one year.
11. As on the date of this Draft Red Herring Prospectus, the issued capital of our Company is fully paid up.
12. The Equity Shares held by the Promoters are not subject to any pledge.
13. Neither we nor our Directors, our Promoters, Promoter Group Entities and the BRLM to the Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
14. The BRLM and their associates are not holding any equity shares in our Company as on the date of filing of Draft Red Herring Prospectus with the SEBI.
15. This issue is being made through 100% Book Building process wherein upto 50% of the Issue i.e., 2,500,000 Equity Shares shall be allotted on a proportionate basis to QIBs, out of which 5%, i.e.

125,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining QIB portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, atleast 15% of the Issue, i.e., 750,000 Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and atleast 35% of the Issue, i.e., 1,750,000 Equity Shares 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. Undersubscription, if any, in any category would be met with spillover from other categories in accordance with applicable laws, regulations and guidelines. Investors may note that in case of over subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Bidders shall be made on a proportionate basis.

16. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue and not exceeding the maximum limit of investment prescribed under relevant laws applicable to each category of bidder.
17. Our Company has not raised any bridge loan against the proceeds of the Issue.
18. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Red Herring Prospectus until the Equity Shares offered through this Draft Red Herring Prospectus have been listed.
19. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the Bid / Issue opening date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.

20. Except the following, we have not issued any shares for consideration other than cash:

| Date of allotment | No. of shares allotted | Nature of allotment | Particulars |
|--------------------------|-------------------------------|----------------------------|--|
| March 26, 1996 | 1,350,000 | Bonus | Issued by utilizing accumulated profits lying to the credit of Profit & Loss account |
| March 31, 1999 | 4,320,000 | Other than cash | Issued pursuant to the scheme of amalgamation of Brecko Precision Engineering Private Limited with PCI Limited |
| March 30, 2007 | 7,917,749 | Bonus | Issued by utilizing amount lying to the credit of Capital Reserve, Profit & Loss Account and Revaluation Reserve |

For further details on Revaluation reserve, please refer to the Chapter titled "Other Regulatory & Statutory Disclosures" on page [●] of this Draft Red Herring Prospectus.

21. An over-subscription to the extent of 10% of the Net Offer to Public shall be retained for purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the basis of allotment.
22. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
23. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
24. We do not have any employees Stock Option Scheme / Employees Stock Purchase Scheme.
25. We have 8 shareholders on the date of filing of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The Objects of the Issue are to raise funds for:

1. Funding equity contribution in the Company's subsidiary, PEL, to part finance the transformer manufacturing project
2. Capital Expenditure for expansion of our precision engineering manufacturing facility
3. General Corporate Purposes
4. Achieve benefits from listing of the equity shares

The main object clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue. The fund requirement below is based on our current business plan. In view of dynamic nature of the industry in which we operate, we have to revise our business plan from time to time and consequently our fund requirement and consequent utilization of proceeds from the issue may also change.

Requirement of Funds

The total estimated funds requirement is given below:

| Particulars | Amount (Rs. Million) |
|--|----------------------|
| Funding equity contribution in the Company's subsidiary, Prime Electric Limited, to part finance the transformer project | 250.28 |
| Capital Expenditure for expansion of our precision engineering manufacturing facility | 234.28 |
| General Corporate Purposes | [•] |
| Expenses for the Issue | [•] |
| Total | [•] |

Not more than 50% of the proceeds of issue would be deployed for acquiring intangible assets.

Means of Finance

The details of the means of finance are provided below:

| Particulars | Amount (Rs. Million) |
|------------------------|----------------------|
| Proceeds of the Issue# | [•] |
| Internal accruals# | [•] |

will be incorporated at the time of filing of Prospectus.

The fund requirement and deployment of issue proceeds has not been appraised by any Bank / Financial Institution. These are based on the estimates of our Management. However Punjab National Bank, New Delhi has conducted Techno-Economic viability study of our project to manufacture transformers by our subsidiary Prime Electric Limited.

In the event of a shortfall in raising the requisite funds from the proceeds of the Issue, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals. In case of any surplus of monies received in relation to the Issue, we may use such surplus towards further expansion and general corporate purposes. In case of variations in the actual utilization of funds earmarked for the purposes mentioned above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

Details of use of Issue Proceeds

1. Funding equity contribution in the Company's subsidiary, PEL, to part finance the transformer manufacturing project

We intend to utilize (Rs. 250.28 Million) a portion of the proceeds of the issue to partially fund our subsidiary PEL which is setting up a project for manufacturing power transformers with an installed capacity of 10,000 MVA / 400 KV at SEZ Nayuduapet, Nellore, Andhra Pradesh. The cost of project has been estimated at Rs. 1630.30 millions which is proposed to be met by term loan of Rs. 1220.00 millions and equity contribution of Rs. 410.30 millions. Out of total equity of Rs. 410.30 Million of our subsidiary, we shall contribute Rs. 250.28 Millions equivalent to 61% equity stake, 9% will be of our promoters and associates and balance 30% equity participation will be of Keliburg Holding Limited, a Russian group, engaged in oil fields and real estates with whom we have entered into a joint venture agreement on 27-08-2008. For details please refer to para on Subdiairy under section titled "History and Certain Coporate Matters" on page [●] of this DRHP.

Details of the Transformer Project

| (Rs. Million) | |
|---|-----------------|
| Particulars | Amount |
| Land | 60.00 |
| Building | 350.00 |
| Plant Machinery & Testing Equipments | 940.90 |
| Contingencies, Preliminary and Pre operative Expenses | 72.10 |
| Interest during construction | 94.50 |
| Margin for working Capital | 112.80 |
| TOTAL | 1,630.30 |

Sanction of term loans

Our subsidiary has received firm sanction of term loans aggregating Rs. 1220.00 millions from Punjab National Bank, New Delhi and Canara Bank, New Delhi. Punjab National Bank, New Delhi and Canara Bank, New Delhi has sanctioned term loans of Rs. 720.00 millions and Rs. 500.00 Millions respectively. The details are given below:

| Name of the Bank | Date of Sanction Letter | Amount (Rs. Millions) |
|----------------------|-------------------------|-----------------------|
| Punjab National Bank | May 28, 2009 | 720.00 |
| Canara Bank | September 3, 2009 | 500.00 |
| TOTAL | | 1220.00 |

Till August 31, 2009, Banks have released term loan to the extent of Rs. 9.40 Millions and opened Letter of credit of Rs. 106.25 Millions towards construction of pre engineering building.

Status of the Project

A. Land

Our Subsidiary has been allotted 100 acres of land at multi product SEZ Nayudupet, Disst. Nellore Andhra Pradesh vide Andhra Pradesh Industrial Infrastructure Corporation (APIIC) vide letter dated 19/08/2008. Government of India has accorded formal approval of the proposed SEZ. The land allotted to the Company will be on lease hold basis for 66 years renewable for a further term of 24 years. The cost of land is Rs. 60 millions with a lease premium of Rs. 0.06 millions per acre. The lease deed was executed on 29/05/2009 and PEL has took the possession of the land on same day. The total covered area has been segregated into different bays which is approximatexly 16620 sq. meters. PEL has so far made a payment of Rs. 30 Millions and the balance is to be paid in five annual installments.

B. Building

The total cost of construction of building, civil works, electricals and setting up of sub station is estimated as Rs. 350.00 millions. PEL has finalized the building plan and civil work has started. The average cost of construction of a factory area is estimated at Rs. 16,462 /- per sq. meter and the cost of remaining building structure for office and others is estimated at Rs. 5,162 /- per sq. meter.

C. Plant Machinery & Testing Equipments

The cost of plant and machinery including Electrical Substation & Gen set and Securities of the project has been estimated at Rs. 940.90 millions. The machineries have been finalized and purchase orders for the major plant and machinery have been placed. All plant & machinery is new and no second hand machinery is proposed to be purchased. The details of major plant and machineries are as under:

| (in millions) | | | | | |
|---------------|---|---|---|--------|--------------------|
| S. No. | Description of the machinery | Vendor | Quantity | Cost | Status |
| 1. | CRGO Slitting Line | Heinrich George GMBH Germany | 1 Plant | 76.50 | Order placed |
| 2. | CRGO Cropping Line | Heinrich George GMBH Germany | 1 Plant | 125.00 | Order placed |
| 3. | Coil winding machine (Horizontal) | Vikrant Special Machines Private Limited | 1 Unit | 47.50 | Order placed |
| 4. | Vertical Winding machines | Vedanta Equipments | 16 machines * 10 tons , 6 machines * 5 tons and bending tolls * 25 nos. | 15.00 | Order placed |
| 5. | Impulse test system | High Volt Germany | 20 tons * 3 nos. | 60.00 | Order placed |
| 6. | Cranes and material handling equipments | Electromech | | 91.00 | Order placed |
| 7. | Transformer air transporter | Aero Go | 1 *300 tons air transporter | 9.40 | Order to be placed |
| 8. | Wall Bushing | Areva | NA | 5.00 | Order to be placed |
| 9. | EHV Static Test System | High- volt Germany | 1 system | 155.00 | Order placed |
| 9. | Switchyard / Electrical panels in manufacturing sheds / Amenities | SVA Ramakrishna / Various Other Vendors | L.S. | 7.10 | Order to be placed |
| 10. | Vapor phase drying plant and Oil Handling Plant | SAVAS Engineering Company Private Limited | 1 system | 89.00 | Order placed |
| 11. | Press board and densified wood processing machines | SAVAS Engineering Company Private Limited / Various Other Vendors | 1 No. | 7.50 | Order to be placed |
| 12. | Air Conditioning | Sri Infra Consultants | 1 system | 22.00 | Order to be placed |
| 13. | Sub Station Equipment, Generators | Prime Power Corporation | - | 60.00 | Order placed |
| 14. | Farady Cage and other tets equipments | Prime Power Corporation | - | 85.00 | Order placed |

| | | | | | |
|-----|--|-------------------|-----------------------|---------------|--------------------|
| 15. | Manufacturing Design know how Software package system | Russia / Ukraine | Package with training | 37.50 | To be finalised |
| 16 | Copper Lamination Plant | Prateek Engineers | 1 | 25.00 | Order to be placed |
| 17 | Fabrication & other Misc. Items | Various vendors | - | 13.40 | Order to be placed |
| 18 | *Packing, freight & handling etc. of various Plant & Machineries | NA | NA | 10.00 | Order to be placed |
| | TOTAL | | | 940.90 | |

*The cost of miscellaneous assets fabrication tools includes the cost of machinery required for tool room, research and development, equipments for utilities, electrical handling equipments etc. is estimated at Rs. 10.00 millions.

D. Preliminary and Pre operative Expenses and Contingencies

It is assumed that consultants fees, salary staff involved in implementation of the project and other day to day expenses would be approx. Rs. 7.60 millions. A flat provision of Rs. 64.50 Millions for contingencies @5% of cost of fixed assets has been made in the project cost. The interest during construction has been calculated assuming an implementation period of 21 months from the zero date accepted as to be April 1, 2009 @ 12.00% works out to Rs. 94.50 millions.

E. Margin for working Capital

The tentative working capital requirement for the proposed project has been calculated as Rs. 259.00 millions. The requirement of net working capital i.e. Rs. 112.80 millions as mentioned in the cost of the project has been calculated on tentative basis.

Advantages / Incentives Available

Since, the unit is coming up in an approved SEZ, it will be entitled for exemption in the form of waiver of excise duty and sales tax. There will also be a 100% tax holiday for the first five years and another 50% for the next five years to the unit after commencement of production as an additional advantage for the unit. The site is well connected with major ports, industrial sectors across the country for procurement of raw material

Implementation Schedule

| Description | Estimated | |
|--|---------------|-----------------|
| | Start Date | Completion Date |
| Acquisition of Land | Completed | |
| Date of Financial closure | - | March 2009 |
| Civil construction including Building | April 2009 | June 2010 |
| Plant facilities | February 2010 | October 2010 |
| Placement of orders for major equipments / Machinery | January 2009 | December 2009 |
| Receipt of Machinery | February 2010 | December 2010 |
| Erection of Machinery | March 2010 | December 2010 |
| Testing and Commissioning | October 2010 | November 2010 |
| Trial Run | November 2010 | December 2010 |
| Commercial Operation date | December 2010 | December 2010 |

The implementation of the project is as per the schedule.

Utilities

The power requirement of approx 4 MW will be met from the substation being set up by APIIC. The water requirement of approx 1 lac per day will be made available by SEZ authorities. Besides we also propose to install bore-well to meet any additional requirement.

Raw Materials

Main raw material required to manufacture the transformer are:

- Silikon steel cold rolled grain oriented steel (CRGO)
- Insulated Copper wire / tubes.
- Insulating materials such as craft papers, crepe paper, metalized crepe paper, resi-glass tape, perma wood.
- Structural steel for tank & radiator and precompressed high density press board.
- Mineral Oil.

Major raw material CRGO is to be imported from overseas manufacturer. The import is under Open General License. Other raw material is locally available may also be imported depending on the price advantage

Technical Know How

We have entered into an arrangement with one of the leading manufacturers of transformers for buying the technology. Further we have appointed a senior technical consultant having more than 40 years of experience in the line of transformer design and testing. Our whole time director I(technical) Mr. U C Misra is ex- Chairman & Managing Director of Bhakra Beas Management Board (BBMB) and former Director, Power Grid Corporation having vast experience in the field of power generation, transmission and distribution. Our Vice - President (Operations) is retired form BHEL and is having experience of 35 years in the field of transformers from design and drafting to conceptualization and quality control in power transformer industry. He had been the head of testing department at BHEL Jhansi unit comprising power and special transformers. We are also in the process of appointing other technical persons having experience in the field of power transformers.

Manufacturing Process

The manufacturing process of transformer covers the following steps:

- (i) Coil winding
- (ii) Core Assembly
- (iii) Core oil assembly
- (iv) Tank up
- (v) Transformer tank
- (vi) Painting and finishing

Coil winding: Coil winding is of two types i.e. High voltage coils (HV) are the components of finished transformers, a solid cylindrical form of predetermined diameter & length is being used as base and round insulated wire of copper is wound over it. The coils are made in number of layers. The starting and finishing leads of each coils are terminated on either side of the coil; these leads are properly sleeved and locked at number of points. Low voltage coil (LV) are also made with similar procedure having shape of the copper as rectangular. There after the turn test is carried on the H.V. coils as per the specifications.

Core Assembly: The basic raw material is cold rolled grain oriented (CRGO) silicon steel. It is the form of thin sheets & cut to size as per the design. Generally three different shapes of core laminations are used in one assembly; nothing is performed to increase the magnetic path. The laminations are put through the annealing process. These laminations are assembled in such a manner that there is no air gap between the joint consecutive sheets the entire assembly is done on a frame commonly known as core channel.

Core Coil Assembly: The components produced in the coil winding and core assembly stage is taken into core coil assembly stage. Core assembly is vertically placed with the foot plate touching ground. The top yoke of the core is removed; the limbs of the core are tightly wrapped with cotton tape and then varnished. Cylinder made out of insulating press board is wrapped on all the three limbs. Low voltage coil is placed on

the insulated core limbs. Insulating block of specified thickness and number are placed both at the top and bottom of the L.V. coil. Cylinder made out of corrugated paper or plain cylinder with oil ducts are provided over L.V Coil, L.V Coils are placed over the cylinder. The top yoke is refilled, top core frame including core bolts and tie rods are fixed in position. Primary and secondary windings are connected as per the requirements phase. Connections to the tapping switch are made. Finally the component is placed in the oven.

Tank Up: The core coil assembly is taken out of the oven and megger test is carried out after finding the megger value as per the specification the assembly is taken for tank up. Fittings like drain valves, HV & LV bushings, conservator, oil level indicator and explosion vent are fitted in the tank. The core assembly is then placed into the tank and properly locked up. Pure filtered transformer oil is filled in the tank to immerse the assembly. Connections of primary and secondary to the terminal bushings are made.

Transformer Tank: Transformer tanks are made of high quality steel and can with stand vacuum as specified by international standards and the customer. Fitted with fins made of cold rolled steel, fin height and length are according to customer's specifications.

Painting and Finishing: After cleaning the tank a coat of hot oil resistance paint is applied on the internal side of the transformer tank and outside surface is painted with a coat of red oxide primer and subsequently enamel paint as per the requirement. Fittings & accessories as per customers design & drawings are checked air pressure test is subjected to avoid leakage and seepage on all transformers are done and made ready for the dispatch.

Marketing

Besides, developing its own marketing team, PEL will also utilize marketing network of our Company which is having 21 offices across the countries. Further the two subsidiaries of PCI Limited in Germany and Hong Kong will also support and develop export market for the power transformers apart from the JV investor in the project.

PEL is confident of marketing its transformers in view of growing demand from power sector. Production power transformers have been growing at a big pace. As new power generation facilities are being set up, the demand for transmission equipments is on rise. The competitors of PEL will be Indo Tech Transformers, Bharat Bijlee, Vijay Electricals, A.B.B, Compton Greaves etc.

2. Capital Expenditure

We are proposing to expand the capacity of our precision engineering division to manufacture Main Oil Pump (MOP) Assembly, Impeller Assembly, Pre – Control Valves, Hydro Turbine Equipments and Customized Engineering Products. Further we also propose to manufacture other products like guide blade carrier assembly, hollow guide blades, governing rack assembly, technological fabrication and assemblies, heavy machined items and industrial valves.

Proposed Plant Capacity

A. Heavy Fabrication and Machine Shop

| | |
|---------------------------------|---|
| Heavy fabrication and machining | 300 Tons / p.a. |
| Maximum individual weight | 8 Ton |
| Material of construction | Carbon steel, alloy steel, chrome – molybdenum creep resistant steel, stainless steel for various grades. |

B. Valve Manufacturing

| | |
|------------------------|---|
| Type of valves | Butterfly valve, ball valve, globe valve, gate valve, check valve and other specialized valves for various industries and general application |
| Quantity of production | 50,000 nos. valves of different type, size, pressure rating, construction material |

Cost of Project

(Rs. Millions)

| Particulars | Cost |
|---|---------------|
| Land | 12.00 |
| External development including inner Roads | 8.00 |
| Building, Factory Shed and External Electricals | 75.00 |
| Plant and Machinery | 64.00 |
| Utility services and Miscellaneous Fixed Assets | 15.28 |
| Preliminary Expenses and Miscellaneous Charges | 10.00 |
| Margin for working Capital | 50.00 |
| Total | 234.28 |

Land and external development

We proposed to set up the expansion project at industrial estate, Bawal, Haryana. We have already applied to Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC) for allotment of 4000 sq. meters of plot. The cost of land is estimated at Rs.12 Millions. The cost of external development like inner roads, boundary wall and others is estimated at Rs 8 Millions.

Building, Factory Shed and External Electricals

The total build up/ construction area is estimated at 5000 sq. meters. The estimated cost of building of factory shed and administrative block including cost of electrification, fire fighting system and heating/ventilation and air – conditioning system is estimated at Rs 75 Millions as per report date 14-09-2009 of the Architect - M/s The Arkitekturel Grida, New Delhi. All the manufacturing activities will be undertaken in a permanent building / shed. The plant area shall comprise of Fabrication Shop, Machine shop, Testing & Assembly shop, Quality assurance department, Packing & dispatch section, Material stores. The Administration & Engineering Block will consists of Reception area, Director's / Chief Executive, offices., Personnel department., Accounts department etc.

Plant and Machinery

The total cost of plant & machinery is estimated at Rs. 64.00 Millions based on the performa invoice / quotations received from manufacturers / suppliers. Details of which are given below. No plant and machinery is second hand. We have not yet placed the orders for Plant and Machinery required.

Indigenous Machinery:

| S. No. | Description | Cost (Rs. Millions) | Duties, taxes and others | Total Cost (Rs. Millions) | Name of Party / Contractor | Date of Quotation |
|--------|---|---------------------|--------------------------|---------------------------|--------------------------------------|-------------------|
| 1. | Horizontal boring and milling machine model BFT - 110 | 6.30 | 0.80 | 7.10 | Geeta Machine Tools Private Limited | 14/09/2009 |
| 2 | CNC 6 Axis Horizontal boring machine model BFT-110/6 | 11.30 | 2.09 | 13.39 | Geeta Machine Tools Private Limited | 14/09/2009 |
| 3 | Brand Radial Drilling Machine Model RDM-50/1500 | 0.74 | 0.18 | 0.90 | Energy Machine Tools Private Limited | 14/09/2009 |
| 4 | Brand Radial Drilling Machine Model RDM-35/1100 | 0.26 | 0.08 | 0.34 | Energy Machine Tools Private Limited | 14/09/2009 |

| | | | | | | |
|----|--|------|------|------|--------------------------------------|------------|
| 5 | Brand Vertical Milling cum drilling machine model VM - 25 | 0.11 | 0.03 | 0.14 | Energy Machine Tools Private Limited | 14/09/2009 |
| 6 | Brand Radial Drilling Machine Model RDM-80/2500 & Accessories | 2.31 | 0.33 | 2.64 | Energy Machine Tools Private Limited | 14/09/2009 |
| 7 | 3.0 mtr. Vertical Turning and Boring Machines MODEL: 3.0 M VTL | 4.22 | 0.17 | 4.39 | Sarabsukh Enterprises | 11/09/2009 |
| 8 | 5.0 mtr. Vertical Turning and Boring Machines MODEL: 5.0 M VTL | 7.00 | 0.27 | 7.27 | Sarabsukh Enterprises | 11/09/2009 |
| 9 | Welding Positioner-15T Cap. | 2.70 | 0.11 | 2.81 | Cu-Built Engineers Private Limited | 12/09/2009 |
| 10 | Arc Welding Machine | 0.05 | - | 0.05 | Electra Koko-Tawa | 17/09/2009 |
| 11 | D.C. Welding Rectifier & D.C. TIG (Argon) Welding Machine | 0.17 | 0.01 | 0.18 | Electra Koko-Tawa | 17/09/2009 |
| 12 | MIG Welding Machine Complete Set | 0.09 | 0.01 | 0.10 | Electra Koko-Tawa | 17/09/2009 |
| 13 | Gas Welding Machine & Gas welding set complex | 0.03 | - | 0.03 | Electra Koko-Tawa | 17/09/2009 |
| 14 | 100 mm Horizontal Boring Machine along accessories | 1.52 | 0.07 | 1.59 | Karam Machine Tools | 11/09/2009 |
| 15 | 125 mm Horizontal Boring Machine along with accessories | 2.45 | 0.10 | 2.55 | Karam Machine Tools | 11/09/2009 |
| 16 | Lathe Machine – Model No. 810 | 0.29 | 0.04 | 0.33 | Sabharwal and Brothers | 11/09/2009 |
| 17 | Lathe Machine – Model No. 1016 | 0.51 | 0.07 | 0.58 | Sabharwal and Brothers | 11/09/2009 |
| 18 | Mechanical Roll Bending Machines – W11-8*2500 | 5.02 | 0.63 | 5.65 | Emtex Machinery Private Limited | 13/09/2009 |
| 19 | Mikrocut brand Precision Gear Head Lathe CM – 6241/1500mm ABC | 0.41 | 0.02 | 0.43 | Emtex Machinery Private Limited | 13/09/2009 |
| 20 | Horizontal Boring and milling TPK 6113/2 | 6.85 | 0.28 | 7.13 | Emtex Machinery Private Limited | 13/09/2009 |
| 21 | Microcut Brand Ram Turret Milling Machine Model 3500S | 0.50 | 0.02 | 0.52 | Emtex Machinery Private Limited | 13/09/2009 |

| | | | | | | |
|----|---|------|------|------|-----------------------------------|------------|
| 22 | Heavy Duty rigid Precision all Geared lathe machine | 0.67 | 0.02 | 0.69 | Emtex Machinery Private Limited | 13/09/2009 |
| 23 | "EIFCO" Bench Type Drilling Piller Type Drilling Machine | 0.07 | - | 0.07 | Emtex Machinery Private Limited | 13/09/2009 |
| 24 | "EIFCO" Hydraulic Power Hackshaw Machine | 0.19 | 0.03 | 0.22 | Emtex Machinery Private Limited | 13/09/2009 |
| 25 | Microcut Metal Cutting Bandshaw SG – 5018 & Surface Grinder Machine | 0.25 | 0.02 | 0.27 | Emtex Machinery Private Limited | 13/09/2009 |
| 26 | Press Brake Machine Model WC67Y | 0.64 | 0.08 | 0.72 | Emtex Machinery Private Limited | 13/09/2009 |
| 27 | Hydraulic Swing Beam Shearing Machine Model No. QC12Y-6X2500 | 0.71 | 0.09 | 0.80 | Emtex Machinery Private Limited | 13/09/2009 |
| 28 | "ABRO" Hard Bearing Dynamic Balancing Machine H-10(BL) | 0.43 | 0.06 | 0.49 | Abro Technologies Private Limited | 10/09/2009 |
| 29 | Elmaco Bench Grinder & Flexible Shaft Grinder | 0.02 | - | 0.02 | Vijay Machine Tools | 12/09/2009 |

Imported Machinery

| S. No. | Description | Cost (Rs. Millions) | Name of Party / Contractor | Date of Quotation |
|--------|---|---------------------|----------------------------|-------------------|
| 1 | Therma CAM Model P640 Standard (42,000 USD) | 2.10 | Flir Systems AB; Sweden | 14/09/2009 |

* converted at 1 USD = Rs. 50.00

Utilities, services and miscellaneous fixed assets

| S. No. | Description | Costs | Name of Party / Contractor | Date of Quotation |
|--------|---|-------|-----------------------------------|-------------------|
| 1 | 1000 KVA Transformer with accessories | 0.80 | Indian Transformers & Electricals | 22/09/2009 |
| 2 | 1000 KVA Transformer with OLTC+RTCC+ AVR and accessories | 1.13 | Indian Transformers & Electricals | 22/09/2009 |
| 3 | 1000 KVA on load tap changer transformer with accessories – Universal make | 0.70 | Arihant Industrial Equipment | 22/09/2009 |
| 4 | 1000 KVA on load tap changer transformer with accessories – Crompton / Kirloskar make | 0.71 | Arihant Industrial Equipment | 22/09/2009 |
| 5 | 11KV, 630V, manually operated transformer with accessories | 0.26 | Arihant Industrial Equipment | 22/09/2009 |
| 6 | Arc Welding machine – Transpocket 2500 | 0.18 | L & T Limited | 21/09/2009 |
| 7 | Arc Welding machine – Transpocket | 0.28 | L & T Limited | 21/09/2009 |

| | | | | |
|----|---|------|------------------------|------------|
| | 3500 | | | |
| 8 | CMT Welding machine Transplus Synergic 3200 CMT | 1.40 | L & T Limited | 21/09/2009 |
| 9 | 625 KVA Silent DG set – VTA28-G5-I | 4.02 | Sudhir Gensets Limited | 21/09/2009 |
| 10 | 1010 KVA DG set – KTA38-G5 | 5.80 | Sudhir Gensets Limited | 22/09/2009 |

Margin for Working Capital

The tentative working capital requirement for the proposed project has been calculated as Rs. 50.00 millions. The requirement of net working capital is based on the assumption of Debtors cycle of 75 to 80 days, stock cycle for 60 days and creditors cycle for 45-50 days.

Water and Electric Power

As the unit -is proposed in an approved industrial area, the availability of water shall not be a problem. Water is required only for human consumption and not required for process purposes. Power requirement of the unit shall be fully met with the existing network of State electricity Board. Approx. 500 KW connections will be sufficient for the proposed unit. We shall also install a DG set of 500 KVA to meet our emergency power requirement.

Raw material

The major raw materials required for manufacturing of various products are as under and are available locally

| | |
|--|--|
| Impeller Assembly | Steel forgings |
| MOP Assembly | Steel forgings & ductile iron castings, Babbitt bearings, seamless pipes |
| Hollow Guide Blade sets | Stainless Steel plates/sheets |
| Guide Blade Carrier Assembly | Carbon/Stainless Steel plates/sheets |
| Misc. Items like Pre-control Valves, Governing Rack Assembly and New Items of Steam Turbine etc. | Misc. forgings, castings in ductile iron and aluminium, alloy steel rolled products, plates, fasteners |
| Technological Heavy Fabrication and Machining | Carbon/alloy steel plates, forgings, rounds |
| Industrial Valves – of different types and sizes | Steel forgings & castings |

Other infrastructure facilities

Since the project is near to city and developed industrial area, it is expected that skilled as well as unskilled manpower shall be available in an around NCR region. Rail & Road connection including telecommunication facilities are also available which would ensure smooth functioning of the unit. Total manpower deployment in the project will be around 300 persons.

Implementation Schedule

| Description | Estimated | |
|--|---------------|-----------------|
| | Start Date | Completion Date |
| Acquisition of Land | April 2010 | June 2010 |
| Land development and civil works | June 2010 | January 2011 |
| Construction of building | June 2010 | March 2011 |
| Placement of orders for equipments / Machinery | August 2010 | November 2010 |
| Receipt of Machinery | December 2010 | February 2011 |
| Erection of Machinery | December 2010 | February 2011 |
| Commercial Operation | March 2011 | - |

3. Expenses for the Issue

The Issue related expenses consist of underwriting fees, selling commission, fees payable to BRLM to the Issue, Legal Counsel, Escrow Collection Banks and Registrars to the Issue, printing and distribution

expenses, advertising and marketing expenses, depository fees, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. We intend to use about Rs. [●] Million towards these expenses for the Issue. All expenses with respect to the Issue will be borne out of Issue proceeds.

| Particulars | Amount Rs. Million | % of Issue Size | % of Issue Expenses |
|---|-----------------------|--------------------|------------------------|
| BRLM / Syndicate member fee | [●] | [●] | [●] |
| Underwriting & Selling Commission | [●] | [●] | [●] |
| Advertising & Marketing expenses | [●] | [●] | [●] |
| Registrar Fee | [●] | [●] | [●] |
| Printing, Stationary, Dispatch | [●] | [●] | [●] |
| Other expenses (including listing fee, SEBI filing fee, Legal Counsel fee, Depository charges, Auditor's fee, etc.) | [●] | [●] | [●] |
| Total | [●] | [●] | [●] |

4. General Corporate Purposes

We intend to deploy the balance Issue proceeds aggregating Rs. [●] Million, towards the general corporate purposes, including but not restricted to entering into strategic alliances, Partnership, purchase of office premises, brand building exercises, investment in other segments of the industry or any other purposes as approved by our Board of Directors. However, not more than 25% of the proceeds of issue would be deployed for the General Corporate purposes.

Estimated Schedule of Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized in the financial year 2010-11 except the working capital margin for the expansion program will be utilized in financial year 2011-12..

Deployment of Funds in the Project

We have incurred Rs. 54.14 Million upto August 31, 2009 towards objects of the issue which has been certified by M/s Satish Aggarwal & Associates, our Statutory Auditors, vide their certificate dated September 24, 2009. The same has been financed through internal accruals. The details of funds deployed are as under::

| Sr. No. | Particulars | Amount (in millions) |
|---------|--------------------------|-------------------------|
| 1. | Investment in subsidiary | 52.17 |
| 2. | Capital Expenditure | 0.75 |
| 3. | Expenses for the issue | 1.22 |
| | Total | 54.14 |

Interim Use of Proceeds

Pending utilization of the proceeds out of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks and other investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of an independent monitoring agency in terms of Regulation 16(1) of the SEBI ICDR Regulations. Pursuant to Clause 49 of the listing agreement, the Audit Committee of our Board will monitor the utilization of the proceeds of the Issue.

We shall, on a quarterly basis disclose to the Audit Committee the uses and application of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head in our balance sheet till such time the proceeds of the Issue have been utilised, clearly specifying the purpose for which

such proceeds have been utilized. We will also, in our balance sheet till such time the proceeds of the Issue have been utilised, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Key Management Personnel or Promoter Group Entities, except the payment of equipment, if any, purchased from a Group Company and in the normal course of our business as disclosed under section titled “Interest of Promoters / Directors” and “Interest of Key Managerial Personnel” on page [●] and [●] of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

The present Issue of 5,000,000 Equity Shares, at a price of Rs. [●] for cash aggregating Rs. [●] million, is being made through the 100% Book Building Process.

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders |
|--|---|---|--|
| Number of Equity Shares* | Upto 2,500,000 equity shares | Atleast 750,000 equity shares | Atleast 1,750,000 equity shares |
| Percentage of Issue Size available for allocation | Upto 50% of the Issue (of which 5% shall be available for allocation for Mutual Funds) Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund portion will be available to remaining QIBs. | Atleast 15% of the Issue | Atleast 35% of the Issue |
| Basis of Allocation if respective category is oversubscribed | Proportionate as follows: (a) Upto 125,000 Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) Balance 1,750,000 Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. | Proportionate | Proportionate |
| Minimum Bid / Bid lot | Such number of Equity Shares that the Bid Amount exceeds Rs 100,000 and in multiples of [●] Equity Shares thereafter. | Such number of Equity Shares that the Bid Amount exceeds Rs 100,000 and in multiples of [●] Equity Shares thereafter. | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. |
| Maximum Bid / Bid lot | Such number of equity shares not exceeding the Issue, subject to regulations as applicable to the Bidder. | Such number of equity shares not exceeding the Issue subject to regulations as applicable to the Bidder. | Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs. 100,000 |
| Mode of Allotment | Compulsorily in dematerialised form | Compulsorily in dematerialised form | Compulsorily in dematerialised form |
| Allotment lot | [●] equity shares and in multiple of 1 equity share thereafter | [●] equity shares and in multiple of 1 equity share thereafter | [●] equity shares and in multiple of 1 equity share thereafter |
| Trading Lot | One Equity Share | One Equity Share | One Equity Share |
| Who can Apply** | Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral & bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors | Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, societies and trusts | Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value. |

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders |
|------------------|---|---|---|
| | registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of Rs. 250 million and Pension Funds with minimum corpus of Rs. 250 million and National Investment Fund set up by Resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India. | | |
| Terms of Payment | QIB Margin Amount shall be payable at the time of submission of Bid-cum-Application Form to the Members of the syndicate. | Margin Amount shall be payable at the time of submission of Bid-cum-Application Form to the Members of the syndicate. | Margin Amount shall be payable at the time of submission of Bid-cum-Application Form to the Members of the syndicate. |
| Margin Amount | Atleast 10% of the bid amount on bidding | 100% of the bid amount on bidding | 100% of the bid amount on bidding |

* Subject to valid bids being received at or above the Issue Price. Undersubscription, if any, in any category would be met with spillover from other categories in accordance with applicable laws, regulations and guidelines. Investors may note that in case of over subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Bidders shall be made on a proportionate basis.

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book Building.

Investors should read the following summary along with the section titled “Risk Factors” beginning on page [●] and section titled “Financial Statements” beginning on page [●] of this Draft Red Herring Prospectus. The trading price of the equity shares of the Company could decline due to these factors and you may lose all or part of your investments.

Qualitative Factors

- Wide Customer base and long term customer relationship
- Qualified employee base and Management Team
- Wide product portfolio and ability to cater to diverse market requirements
- Project execution, value addition and Annual Maintenance Contracts for our imported products
- Tie ups and Collaboration with leading manufacturers of products we deal
- Pan India reach and strong execution team

For the details on the qualitative factors which form the basis for computing the price, please see the section titled “Our Business” on page [●] of this Draft Red Herring Prospectus.

Quantitative Factors:

Information in this section is derived from the Company’s restated standalone financial statements prepared in accordance with Indian GAAP. The quantitative factors, which form the basis for computing the price are as follows:

1. Weighted Earning Per Share (EPS):

| Year | EPS (Rs.) | Weightage |
|--------------------------------|-------------|-----------|
| 12 Months Ended March 31, 2007 | 0.17 | 1 |
| 12 Months Ended March 31, 2008 | 5.32 | 2 |
| 12 Months Ended March 31, 2009 | 4.63 | 3 |
| Weighted average EPS | 4.12 | |

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

| | | At the lower Band of Rs. [●] | At the upper Band of Rs. [●] |
|-----|--|---------------------------------|---------------------------------|
| (a) | Based on weighted average (EPS) as on March 31, 2009 | [●] | [●] |
| (b) | PE Multiple - Electric Equipment Industry | | |
| | Highest (Opto Circuit) | | 21.90 |
| | Lowest (Genus Power) | | 6.90 |
| | Average P/E ratio | | 15.50 |

Source: Capital Market Vol. XXIV/ 14 dated September 07-20, 2009

3. Return on Net worth (RONW)

| Year | RONW (%) | Weightage |
|--------------------------------|--------------|-----------|
| 12 Months Ended March 31, 2007 | 1.37 | 1 |
| 12 Months Ended March 31, 2008 | 30.66 | 2 |
| 12 Months Ended March 31, 2009 | 21.08 | 3 |
| Weighted average RONW | 20.99 | |

Minimum return on total Net worth after issue needed to maintain pre-issue EPS is [●]

4. Net Asset Value (NAV) per share

| Year | NAV (Rs.) |
|----------------------|-----------|
| As on March 31, 2009 | 21.98 |
| After the Issue | [●] |
| Issue Price | [●] |

5. The accounting ratios of selected companies in the Industry Group

We are a diversified multi-activity company in the business of providing hi-tech power equipments, systems and test instrumentation which find application power and energy, telecom, aviation, railways and other industries, we also undertake execution of projects relating to sub station erection. There are no listed companies which are comparable with us. However in view of nature of our business, we can be classified as under electrical equipment industry.

| Name of Company | EPS (Rs.) | P/E ratio | RONW (%) | NAV (Rs.) |
|------------------------------------|-----------|-----------|----------|-----------|
| PCI Limited (as on March 31, 2009) | 4.63 | [●] | 21.08 | 21.98 |
| Aplab | 1.20 | - | 2.30 | 61.40 |
| Numeric Power Systems | 55.60 | 8.50 | 18.40 | 338.00 |

Source: Capital Market Vol. XXIV/ 14 dated September 07-20, 2009

For the peer group companies, all the figures except P/E ratio, are for the financial year ended March 31, 2009.

The Face Value of our Equity Shares is Rs.10/- per share and the Issue Price is [●] times of the Face Value (at the lower end of the Price Band) and [●] 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 BRLMs and on the basis of assessment of market demand for the Equity Shares from the investors by way of book building and is justified on the basis of the above factors.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

To,
The Board of Directors,
PCI LTD.
11/5B, Pusa road
New Delhi-110005

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits that may be available to PCI Ltd (the "Company") and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/her/their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Further, we have also incorporated the amendments brought out by the Finance Act, 2009, where applicable.

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/ would be met with;
- the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

The contents of this annexure(s) are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. While all reasonable care has been taken in the preparation of this opinion, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

This report is intended solely for information and for the inclusion in the offer Document in connection with the proposed offer of the equity shares of the Company to the public and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Satish Aggarwal & Associates
Chartered Accountants

Satish Aggarwal
Partner
M.No. 082430
Place: New Delhi
Date: 22nd September, 2009

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS.

(A) Statement of special Tax Benefit available to the subsidiary of PCI Ltd (the “Company”)

There are no special tax benefits directly available to the Company. Special Tax Benefit available to the subsidiary of PCI Ltd (the “Company”) namely Prime Electric Ltd which has taken possession of an industrial land in (SEZ) in Andhra Pradesh and is implementing a project to manufacture high voltage transformers which are as under

Under Income Tax Act, 1961

1. The profits from units located in special economic zones which begin to manufacture or produce article or things during the previous year relevant to any assessment year commencing on or after the first day of April 2006. The deduction will be as under :
 - 100% deduction of income from profit and gains from exports for the first five years
 - 50% deduction of income from profit and gains from exports for the next five years and thereafter
 - 50% for the subsequent 5 years on fulfillment of the conditions laid down in the section 10AA of the Income Tax Act, 1961.
2. The company is exempt from the provisions of Minimum Alternate Tax (MAT) u/s 115 JB and is not liable to pay MAT under this section .

To the shareholders of the company under Income Tax Act, 1961

There are no special tax benefits available to the shareholders of the Company.

(B) Statement of general benefits available to PCI Ltd (the “Company”) and the shareholders.

i. TO THE COMPANY

Under the Income Tax Act, 1961 (“Act”)

- Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-0 received by the Company from domestic companies is exempt from income tax.
- According to the provisions of section 10(38) of the Act, long – term capital gain arising from sale of equity shares or units of any equity oriented fund shall be exempt from tax where the transaction of sale is chargeable to Security Transaction Tax.
- As per the provisions of section 111A of the Act, short term capital gain arising from sale of equity shares or units of any equity oriented fund shall be subject to tax @ 15% (plus applicable surcharge and educational cess), where the transaction of sale is chargeable to Security Transaction Tax.

ii. TO THE RESIDENT SHAREHOLDERS, APPROVED INFRASTRUCTURE CAPITAL COMPANIES, INFRASTRUCTURE CAPITAL FUNDS AND CO-OPERATIVE BANKS

Under the Income Tax Act, 1961 (“Act”)

- Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-0 received on the shares of the Company is exempt from income tax in the hands of shareholders.
- Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

- Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
- As per the provisions of section 111A of the Act, short term capital gain arising on sale of equity shares shall be subject to tax @ 15% (plus applicable surcharge and education cess) where the transaction of share is chargeable to STT.

Under Wealth Tax Act, 1957

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

iii. TO THE NON-RESIDENT MEMBERS OF THE COMPANY

Under the Income Tax Act, 1961 (“Act”)

1. Non-Resident shareholders will be entitled to exemption, under section 10(34) of the Act, in respect of the income received from the Company by way of dividend.
2. According to the provisions of section 10 (38) of the Act, long –term capital gain arising on sale of equity shares shall be exempt from tax where the transaction of sale is charged to STT.
3. As per the provisions of section 111A of the Act, short term capital gain arising on sale of equity shares shall be subject to tax @ 15% (plus applicable surcharge and educational cess) where the transaction of share is chargeable to STT..
4. As per the provisions of section 115E of the Income Tax Act, 1961, and subject to the conditions specified therein, long-term capital gains arising to a Non- Resident Indian from transfer of company’s shares subscribed to in convertible foreign exchange will be charged to Income Tax @ 10% plus applicable surcharge and education cess, except to the extent exempted under section 10(38).
5. Under section 115F of the Act, long- term capital gains arising to a Non- Resident Indian on transfer of shares in the Company, subscribed to in convertible foreign exchange shall be exempt from income tax, if net consideration is invested in specified asset within six months of the date of transfer. If only part of the consideration is so invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax if the specified assets are transferred or converted within three years from the date of their acquisition.
6. Under provision of section 115G of the Act, it shall not be necessary for a Non- Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains from assets purchased in convertible foreign exchange or both and tax deductible at source has been deducted there from.
7. Where any Double Taxation Avoidance Agreement (DTAA) entered into by India with any other country provides for a concessional tax rate or exemption in respect of income from the investment in the Company’s shares, those beneficial provisions shall prevail over the provisions of the Act in that regard.

iv. TO FOREIGN INSTITUTIONAL INVESTORS

Under the Income Tax Act, 1961 (“Act”)

1. Income by way of dividend received on shares of the Company is exempt u/s 10(34) of the Act.
2. According to the provisions of section 10 (38) of the Act, long –term capital gain arising on sale of equity shares shall be exempt from tax where the transaction of sale is charged to STT.
3. As per provisions of section 111A of the Act, short-term capital gain arising on sale of equity shares shall be subject to tax @ 15% (plus applicable surcharge and educational cess) where the transaction of share is chargeable to STT. Under Section 115AD(1)(b)(ii) of the Act, Income by way of Short Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 2 above) held in the Company for a period of less than 12 months will be taxable @ 30% (plus applicable surcharge and education cess)
 Proviso to Sec. 115AD(1) (b) (ii): Under this proviso short term capital gains referred to Sec 111A, where the transaction is subjected to Security Transaction Tax (STT), the rate of tax shall be @ 15% (plus applicable surcharge and education tax).

4. Under Section 115AD(1)(iii) of the Act, Income by way of Long Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 1 above) held in the Company will be taxable @ 10% (plus applicable surcharge and education cess). It is to be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to Foreign Institutional Investors.
5. Where any Double Taxation Avoidance Agreement (DTA) entered into by India with any other country provides for a concessional tax rate or exemption in respect of income from the investment in the Company's shares, those beneficial provisions shall prevail over the provisions of the Act in that regard.

v. TO MUTUAL FUNDS

Under the Income Tax Act, 1961 ("Act")

As per the provision of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulation made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax subject to conditions as the Central Government may by notification in the official Gazette specify in this behalf.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2009.
2. The stated benefits will be available only to the sole / first named holder in case the shares are held by joint holders.
3. In view of the individual and complex 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 Issue.

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government bodies and industry websites/publications. Industry websites/publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company estimates, while believed by us to be reliable, have not been verified by any independent agencies.

INDIAN ECONOMIC OVERVIEW

Indian Economy has shown resilience and signs of recovery after GDP grew at 6.7% in FY 08-09. The government with its inclusive growth agenda and continued thrust on infrastructure development and renewed interest in economic reforms can certainly sustain the growth momentum. As per the data released by CSO, the first quarter growth in FY 10 was 6.1%.

As per the July 2009 report by FICCI on Indian Economy, the statistical data for May 09 depicts recovery for industry as well with overall growth of 2.7% over the same period last year. Barring few, most of the 16 manufacturing sectors have shown positive trends with Textile products growing at a robust rate of 9.8% up from 8.7% growth in May 08. For the first quarter, the manufacturing grew at 3.4% signaling steady recovery. The FDI investment has also gone up from USD 34.3 billion in FY 07-08 to USD 35.17 billion in FY 08-09. The inflows for three months up to June 2009 were USD 7.02 billion. (Source: Department of Industrial Policy & Promotion, www.dipp.nic.in)

POWER INDUSTRY

Power is a critical infrastructure on which the socio-economic development of the country depends. Indian Power Industry has come a long way since independence during which the total power generated in the country stood at 1362 megawatt (MW). The government of India announced liberalization policy in 1991 and subsequent amendments in Electricity (Supply) Act opened the sectors for private participants and investments in the electricity industry. The installed capacity of 1362 MW in 1947 increased to 152148.41 MW as of August 2009 and with this India became the fifth largest producer and consumer of electricity in the world, equaling the capacities of UK and France, combined. The number of consumers connected to the Indian Power Grid is over 144 million

A recent study by consultancy major McKinsey estimates India's power demand to increase from the present capacity to 315 GW–335 GW by 2017, if India continues to grow at an average of 8 per cent over the next 10 years. This would require a five- to ten-fold rise in power production, entailing investments worth US\$ 600 billion over the next ten years. To feed its rapidly growing economy, India is planning to get an additional 60,000 MW of electricity from various hydro-power projects by the end of 2025. The Nuclear Agreement signed on October 10, 2008, has opened the door to India to meet its tremendous energy needs. This will result in growth for nuclear power in the country with the potential foreign entrants in the sector.

Segments of Industry Structure

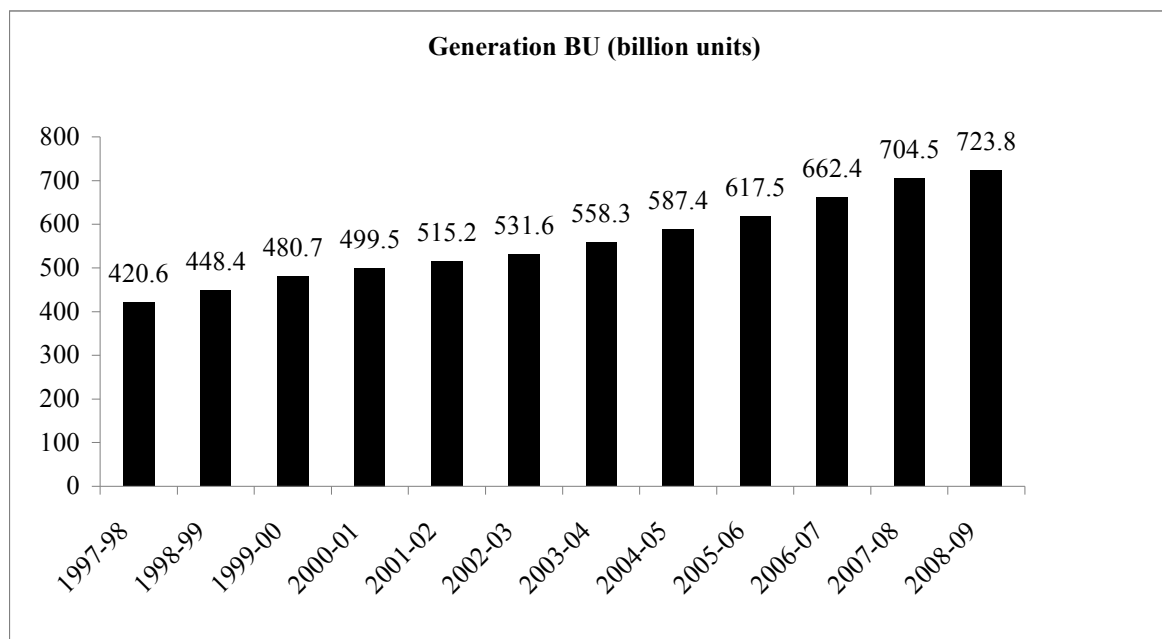
The power sector comprises three segments, Generation, Transmission and Distribution. Majority of Generation, Transmission and Distribution capacities are with either public sector companies or with State Electricity (SEBs). The power sector in India is dominated by the government. The State and Central Government sectors account for 58% and 32% of the generation capacity respectively while the private sector accounts for about 10%. The bulk of the transmission and distribution functions are with State utilities. Transmission and Distribution (T&D) system comprises of transmission lines, transformers, substations, switching stations and distribution lines. In India, the T&D system is a three-tier structure

comprising distribution networks, state grids, and regional grids. In India, SEBs are vertically integrated as intra-state distribution network and the grids are owned and operated by SEBs or state governments through SEBs. The transmission and sub-transmission systems supply power to the distribution system, which in turn supplies power to end-consumers. Distribution of power to end consumers is largely controlled by SEBs and licensees in the private sector.

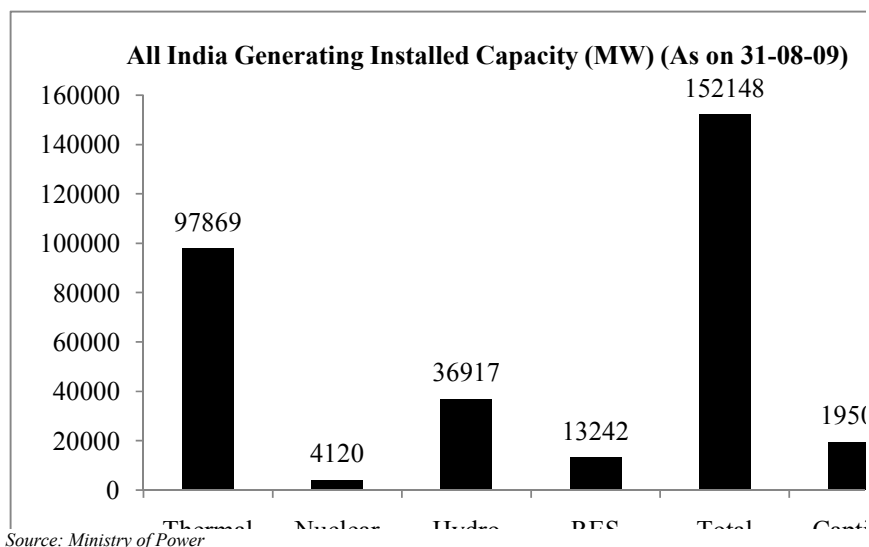
| Key Players | Generation | Transmission | Distribution |
|---------------------|--|--|--|
| Companies | NTPC, NHPC, SEBs, Private Sector Developers | Power Grid Corporation, Transcos, SEBs | SEBs, Reliance Energy Limited, NDPL, CSES, AEC, SEC, and users in industry and building sector |
| Equipment Suppliers | BHEL, ABB, Crompton Greaves, Siemens, Bharat Bijlee, Areva T&D India, Emco | BHEL, ABB, Crompton Greaves, Siemens, Areva T&D India, KEC Bharat Bijlee | Vijai Electricals, Crompton Greaves, Bharat Bijlee, Areva T&D India, KEC, Emco |

GENERATION

There are three main options for generating electricity, which are, thermal, hydroelectric and nuclear. In India power generation is largely dependent on Coal, gas, nuclear and hydroelectric resources. Non Conventional sources such as Wind and Solar energy accounts for small proportion of the total installed capacity. Fuel Oil and Diesel are largely used in captive power plant. The overall generation in the country has increased from 420.6 Billion units (BUs) during 1997- 98 to 723.79 BUs during 2008-09 and 319 BUs upto August, 2009 depicting a tremendous growth. There has been significant improvement in the growth in actual generation over the last few years.



Source: Ministry of Power, Annual Report 2008-09



The National Electricity Policy (NEP) stipulates power for all and annual per capita consumption of electricity to rise to 1000 units by 2012. The all India installed power generation capacity as on 31.08.2009 was 152148 MW comprising of 97869 MW thermal, 36917 MW hydro, 4120 MW nuclear and 13242 MW R.E.S. The Central Sector's share in generation has gradually increased from 12% in 1979 to 33% as on 31.3.2009. On the other hand the share of the State Sector has declined from 82.5% to 51% while the share of Private Sector has gone up from 5.2% to 16% during the same period.

Plant Load Factor (PLF)

The Plant Load Factor (PLF) of India improved significantly over the past few years as is evident from the average PLF of 77.2 in 2008-09 compared to 71.2 in 1997-98.

The Demand Supply Situation

India's energy requirement during 2008-09 stood at 777,039 MU and energy availability during the same period was 691,038 MU, resulting in an energy shortage of 86,001 MU (11.1 percent). Peak demand for energy in 2008-09 was recorded at 109,809 MW, whereas, peak demand met during the same period was 96,785 MW and hence, the peak shortage stood at 13,024 MW (11.9 percent). The power supply position of the country over the years is as follows:

Power Supply Position in India

| Year | Energy Requirement (MU) | Energy Availability (MU) | Energy Shortage (MU) | Energy Shortage (%) |
|---------|-------------------------|--------------------------|----------------------|---------------------|
| 1997-98 | 424505 | 390330 | 34175 | 8.1 |
| 1998-99 | 446584 | 420235 | 26349 | 5.9 |
| 1999-00 | 480430 | 450594 | 29836 | 6.2 |
| 2000-01 | 507216 | 467400 | 39816 | 7.8 |
| 2001-02 | 522537 | 483350 | 39187 | 7.5 |
| 2002-03 | 545983 | 497890 | 48093 | 8.8 |
| 2003-04 | 559264 | 519398 | 39866 | 7.1 |
| 2004-05 | 591373 | 548115 | 43258 | 7.3 |
| 2005-06 | 631884 | 578819 | 52735 | 8.4 |
| 2006-07 | 690587 | 624495 | 66092 | 9.6 |
| 2007-08 | 737052 | 664660 | 72392 | 9.8 |
| 2008-09 | 777039 | 691038 | 86001 | 11.1 |

Peak Demand Situation in India

| Year | Peak Demand (MW) | Peak Met (MW) | Peak Shortage (MW) | Peak Shortage |
|---------|------------------|---------------|--------------------|---------------|
| 1997-98 | 65435 | 58042 | 7393 | 11.3 |
| 1998-99 | 67905 | 58445 | 9460 | 13.9 |
| 1999-00 | 72669 | 63691 | 8978 | 12.4 |
| 2000-01 | 78037 | 67880 | 10157 | 13 |
| 2001-02 | 78441 | 69189 | 9252 | 11.8 |
| 2002-03 | 81492 | 71547 | 9945 | 12.2 |
| 2003-04 | 84574 | 75066 | 9508 | 11.2 |
| 2004-05 | 87906 | 77652 | 10254 | 11.7 |
| 2005-06 | 93255 | 81792 | 11463 | 12.3 |
| 2006-07 | 100715 | 86818 | 13897 | 13.8 |
| 2007-08 | 108866 | 90793 | 18073 | 16.6 |
| 2008-09 | 109809 | 96785 | 13024 | 11.9 |

Source: Annual Report 2008-09, Ministry of Power

Significant capacity addition of 78,700 MW has been proposed for the 11th Plan. This capacity addition is expected to provide a growth of 9.5% to the power sector. They will meet the power needs of a number of states through transmission of power on regional and national grids.

Planned Capacity Additions (MW) during the 11th Plan (2007-12)

| | Central | State | Private | Total |
|---------|---------|-------|---------|-------|
| Hydro | 8654 | 3482 | 3491 | 15627 |
| Thermal | 24840 | 23301 | 11552 | 59693 |
| Nuclear | 3380 | - | - | 3380 |
| Total | 36874 | 26783 | 15043 | 78700 |

Source: Annual Report 2008-09, Ministry of Power

TRANSMISSION

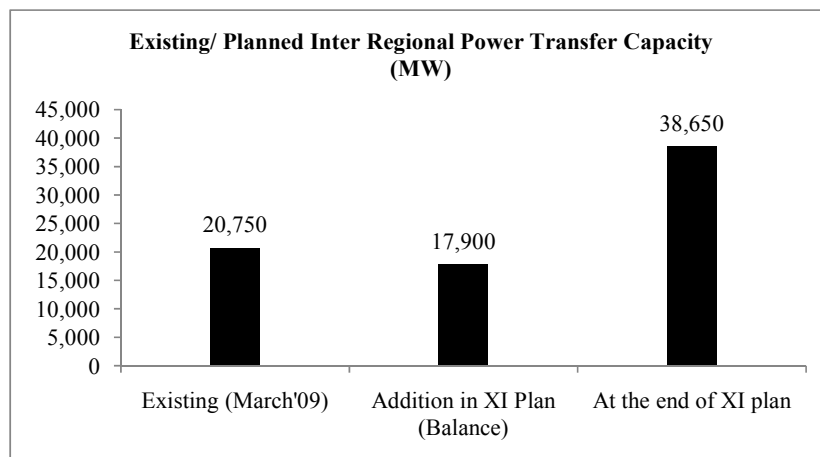
Transmission of electricity is defined as bulk transfer of power over a long distance at a high voltage, generally of 132 kV and above. Indian power system is demarcated into five independent regional grids viz. Northern, Eastern, Western, Southern, and North-eastern Regions. All the regional grids, except Eastern and North-eastern Regions, operate independently with only a limited exchange of power across the regions. In India bulk transmission has increased from 3708 ckm in 1950 to more than 2, 65,000 ckm today. While the predominant technology for electricity transmission and distribution has been Alternating Current (AC) technology, High Voltage Direct Current (HVDC) technology has also been used for inter-connection of all regional grids across the country and for bulk transmission of power over long distances.

The Government of India has an ambitious mission of ‘**POWER FOR ALL BY 2012**’. This mission would require that our installed generation capacity should be at least 2, 00,000 MW by 2012 from the present level of 1, 14,000 MW. To be able to reach this power to the entire country an expansion of the regional transmission network and inter regional capacity to transmit power would be essential. The latter is required because resources are unevenly distributed in the country and power needs to be carried great distances to areas where load centres exist.

Creation of National Grid

The exploitable energy resources in our country are concentrated in certain pockets. As a result, some regions do not have adequate natural resources for setting power plants to meet future requirements whereas others have abundant natural resources. This has necessitated formation of National Power Grid to transmit power from resource rich areas to deficit areas as well as to facilitate scheduled/ unscheduled exchange of power. Ministry of Power has envisaged the establishment of an integrated National Power Grid in the country by the year 2012 with an inter-regional power transfer capacity of about 38,650 MW.

Presently, four major power regions of the country namely, North-Eastern, Eastern, Western and Northern are operating as one synchronous grid with total generating capacity of about 1,09,000 MW. This is facilitating flow of power from surplus to deficit regions bringing much needed economy.



Source: Ministry of Power

Evolving the Perspective Transmission System for XI Plan

Identification of 11th Plan transmission expansion plan was done based on Power System Studies corresponding to the scenario at the end of 11th Plan. This transmission expansion plan is based on the generation addition programme of 78,577 MW during the 11th plan period. The implementation programme was subsequently worked out keeping in view identification of projects, schemes and transmission elements that should be implemented matching with programme of generation capacity addition and load growth on yearly basis upto 2011-12.

Cumulative Growth in Transmission Sector and Programme for Eleventh Plan

| | Unit | At the end of X Plan i.e. March 2007 | Target at the end of XI Plan i.e. March 2012 |
|---------------------------------------|------------|--------------------------------------|--|
| | | X Plan | XI Plan |
| TRANSMISSION LINES | | | |
| 765 kV | ckm | 1704 | 7132 |
| HVDC +/- 500kV | ckm | 5872 | 11078 |
| HVDC 200 kV Monopole | ckm | 162 | 162 |
| 400 kV | ckm | 75722 | 125000 |
| 230/220 kV | ckm | 114629 | 150000 |
| Total Transmisison Line | ckm | 198089 | 293372 |
| SUBSTATIONS | | | |
| HVDC BTB | MW | 3000 | 3000 |
| HVDC Bipole + Monopole | MW | 5200 | 11200 |
| Total - HVDC Terminal Capacity | MW | 8200 | 14200 |
| 765 kV | MVA | 2000 | 53000 |
| 400 kV | MVA | 92942 | 145000 |
| 230/220 kV | MVA | 156497 | 230000 |
| Total - AC Substation Capacity | MVA | 251439 | 428000 |

Source: Ministry of Power

DISTRIBUTION

The electricity distribution section is the most daunting sector due to its interface with the public at large with different needs and expectations and varying degrees of capacity to pay. The need to improve this sector was realized, in the 10th plan with emphasis on steps to reduce the huge aggregate technical and commercial losses, control the theft & pilferage and rationalise the tariff structures. Major schemes like Accelerated Power Development & Reform Program for urban areas and the Rajiv Gandhi Grameen Vidyutikaran Yojana was initiated in the 10th plan which aimed at bringing in investment in urban areas and creating an electricity infrastructure in rural areas. There is however a pressing need to continue these efforts in the 11th plan so as to reduce the AT&C losses and to continue with the reforms in the distribution sector to provide an affordable, good quality and reliable power supply to the citizen of India, be it in urban or rural areas.

The Government of India identified Distribution Reforms as the key area to bring about the efficiency and commercial viability into the power sector. Apart from an extensive transmission system network at 500kV HVDC, 400kV, 220 kV, 132kV and 66kV which has developed to transmit the Power from the generating station to the grid substations, a vast network of sub transmission in distribution system has also come up for the utilization of the power by the ultimate consumers. The Ministry of Power took various initiatives towards reforms and other policy measures for helping the state power Utilities to bring improvement in their efficiency towards bringing about commercial viability in the power sector. Some of the major initiatives were: establishment of regulatory mechanism at central and state level, restructuring of the state power Utilities, metering of feeders & consumers, energy accounting & auditing, securitization of outstanding dues of CPSUs etc. At the national level 98% feeders and 89% of consumers have been metered so far. 100% feeder metering has been achieved in 23 States.

Distribution reforms & Accelerated Power Development and Reforms Programme (APDRP)

The Accelerated Power Development Reforms Programme (APDRP) was launched in 2002-03 for implementation in 10th Plan as additional central assistance to the states for strengthening and up gradation of sub-transmission and distribution systems of high-density load centres like towns and industrial areas. The main objectives of the programme were to reduce AT&C loss, reduction of commercial loss and improve quality and reliability of supply.

The programme has following two components :

Investment component- Central Government provides assistance to the tune of 25% and 90% of the project cost in the form of grant to Non-special category and Special Category states respectively. Balance amount to be arranged from Financial Institutions / own resources.

The status as on 31st March 2009:

- Number of projects sanctioned : 571
- Total project Cost : Rs. 17,033.58 Crore
- APDRP (GOI) Component : Rs. 8,720.07 Crore
- Total fund released by GOI : Rs. 7,646.35 Crore
- C/Part drawn from FIs : Rs. 6,711.80 Crore
- Total fund utilized : Rs. 13,923.10 Crore

Earlier, Government was providing 10% loan to special category and 25% to Non-special category states in addition to the grant as mentioned above. However, as recommended by the 12th Finance Commission, the loan component has been discontinued by the Ministry of Finance w.e.f. 2005-06. Funds are released by Ministry of Finance, Government of India under the advice from Ministry of Power in three installments progressively based on implementation progress. Except Jammu & Kashmir all States have completed or short closed the APDRP schemes sanctioned by GOI.

Incentive component- This component is to incentivize the SEBs / utilities to reduce their financial losses. Funds are released to the SEBs for actual cash loss reduction, for every Rs.2 of cash loss reduction Rs.1 is given as grant. The cash losses are calculated net of subsidy and receivables. The year 2000-01 has been

adopted as the base year. Nine states have shown reduction of cash loss amounting to Rs.5759.46 Crore and became eligible for APDRP incentive of Rs. 2879.73 Crore. Government has released Rs. 2879.73 Crore so far to Andhra Pradesh, Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and West Bengal. Although at national level the AT&C loss of state power utilities has not shown much improvement over the past three years. The loss has come down in towns where APDRP has been implemented. Some of the utilities which adopted various interventions as envisaged under the programme have shown significant reduction in AT&C loss. AT&C losses have been brought down below 20% in 215 APDRP towns in the country of which 163 towns have been brought below 15%. The billing efficiency at national level has improved from 68.37% during 2002-03 to 71.04 during 2006-07. The national average collection efficiency has also improved from 92.68% during 2002-03 to 94.20% during 2006-07. With this improvement in billing and collection efficiency, the national average AT&C loss of the distribution companies has reduced from 36.63% to 33.07%. The overall commercial loss (without subsidy) of the utilities reduced from Rs. 29,331 Crore during 2001-02 to Rs. 27,446 Crore during 2006-07.

Transmission and Distribution (T&D) Equipment Manufacturers

Transformation capacity of 100000 MVA per annum is required during 11th Plan. This includes Generators Transformers and ICTs up to 132 kV voltage levels. It is estimated that a total of about 450000 MVA of transformation capacity would be required in 11th Plan and additional 50,000 MVA would be needed for preparedness for 12th Plan. Presently M/s BHEL who is the major electrical equipment supplier under public sector in India has a market share of around 40% for development of transformation capacity and balance 60% share lies with private manufacturers.

Growth rate in major equipment segments (%)

| Equipment Segment | 2007-08 | 2008-09 (up to September 2008) |
|---------------------------------|---------|--------------------------------|
| Power Cables | 21.2 | 15.6 |
| Power transformers | 18.2 | 30.6 |
| Distribution transformers | 12.8 | -22 |
| Switchgears | 12.3 | 5 |
| Capacitors (above 132 kV class) | - | 35.3 |
| Conductors | - | 33.6 |

Source: Power Line, June 2009

Transformer industry

The Transformer Industry in India has been in the forefront for over 50 years and has a well matured technology base up to 800 KV class. Keeping pace with the developments the world over, it has attained the status of 'world class' over the period. The transformer industry is usually divided into Distribution Transformers, Power transformers and other types of special transformers for welding, traction, furnace etc. Some of the transformer manufacturers in India have successfully entered into technical collaborations with reputed overseas manufacturers and have developed the technology and cost effectiveness in their design and manufacture of the transformers. The industry over the period has matured into reliable suppliers of all types of transformers. Driven by strong R&D base at company as well as national level, the product is continuously upgraded to meet the emerging market requirements. In the global market, performance of the Indian product is acknowledged as technically at par with the leading international companies. Looking at present state of transformer industry, it can be seen that implementation of Accelerated Power Development Reform Program (APDRP) and introduction of Accelerated Rural Electrification Programme (AREP) are responsible for increased business potential for the industry. There is a strong base of about 150 Transformer Companies in India, with an overall production over 90,000 MVA per annum. Besides meeting the domestic requirement, India is exporting transformers to over 50 countries covering USA, Europe, South Africa, Cyprus, Syria, Iraq and other Middle East and Far East countries all over the world. India is self-reliant in respect of the resources for prime materials and testing facilities. Manufacturing facility for CRGO, winding conductors, bushings up to 420KV class etc. are well established.

The transformer market in India is largely unorganized with very few organized players. The key organized players in this segment are ABB, BHEL, Bharat Bijlee, Emco, Vijai Electricals, Crompton Greaves and Areva T&D India.

UPS Market

In view high demand of power as against availability in our country, there is huge requirement of continuous good quality power in almost all the industry verticals. UPS systems are having wide application & acceptability among various industry segments like I.T, Banking, Telecom ,Packaging, Plastic & polymers, Food processing, Textile, Pharmaceuticals, Hospitals, Aviations, Automotive, Textile, Cable, Broadcasting are a few to name. The growth has been witnessed across all segments. There are several factors driving the growth, the country is facing an acute power shortage & organisation are relying on UPS systems to fill the void. The major players in the UPS market in India are General Electric, Numeric Power Systems Limited, TATA Libert and PCI Limited.

Testing and measuring equipments for power sectors

The electric testing equipments in power sector includes equipment for cable fault location, protection system, switch maintenance, leak detection systems, extra high voltage test system and infrared thermal imaging camera. The major application of infrared imaging camera are location/ identification of problems in power plant equipments and machines such as transformers , switch gear, rotating machinery and cables before they cause breakdown. Further there are emergency restoration system for transmission lines and transformer condition monitoring systems with latest technology of Dissolved gas analysis (DGA). These equipments are manufactured by multinationals like Flir Systems Inc., Sweden, General Electrics; USA, Lindsey manufacturing company ,USA. In India PCI limited is one of the company providing value addition to these imported equipment and there after undertake installation, commissioning and maintenance.

OUR BUSINESS

We are a diversified multi activity company primarily in the business of providing hi-tech power equipments, systems and test instrumentation which find applications in power and energy, telecom, railways, aviation, aerospace, and other allied industries. We undertake project execution which entails value addition to import contents and thereafter the installation, commissioning and as well as maintenance during warranty period and subsequently by way of Annual Maintenance Contracts (AMC's) due to exclusive and technical nature of the products offered to our clients. In most cases, the value addition, assembly and installation is carried out at the project site of our customers. The company also has a manufacturing facility at IMT Manesar, Gurgaon for manufacturing of precision engineering turbine parts and investment casting components and products. In addition, this manufacturing facility is also producing electronic testing and measuring instruments and is in the process of developing energy saver LED based lighting systems.

Our key customers includes Public & Private Power Utilities and power generation & transmission companies, various state electricity boards, Public Sector Undertakings, Transmission companies, leading Transformer and Power Plant equipment manufacturers and Railways. Some of our regular and repeat customers include leading companies like Bharat Heavy Electricals Limited (BHEL), Power Grid Corporation India Limited, NTPC Limited, Indian Space Research Organization (ISRO), Siemens Limited, Nokia India Private Limited, Jindal Power Limited, Tata Power Co. Limited, Crompton Greaves Limited, L&T Limited, K S Oils Limited, Bhushan Power & Steel Limited, etc. Amongst State Electricity Boards our major customers are Karnataka Power corporation Limited, Maharashtra State Electricity Transmission Board, Bihar State Electricity Board, Assam Electricity Grid Corporation Limited, Chattisgarh State Electricity Board etc.

We have tie ups and have entered into agreements with some of the leading manufacturers abroad for the hi-tech import content from whom we source the equipments to cater to the technological solution based requirements of our clients for critical inputs which enable them to optimize their production efficiency while minimizing costs. Our core competence lies in meticulous identification of highly technical equipments and maintaining high standards of pre and post sales service. Certain of our major foreign associates from whom we import technical products and who form our top principals as per import value in financial year 2008-2009 are RPS S.p.a; Italy (formerly known as Aros S.r.l), Lindsey Manufacturing Co., USA; SebaKMT, Germany, FLIR Systems Inc, Sweden; Piller Germany GmbH & Co. KG, Germany, General Electric, Canada; etc.

We also undertake execution of projects mainly relating to sub-station erection on turnkey basis. Currently we are executing a state of the art Coil Spring manufacturing unit for the Indian Railways at Gwalior in collaboration with M/s Bumar, a government of Poland Company. We have also forayed in to Power Generation by setting up of wind farm with power generation capacity of 4.50 MW at Kutch in Gujarat.

We are in the process of setting up a Transformer manufacturing project with installed capacity of 10000 MVA / 400 KV in a SEZ in district Nellore, Andhra Pradesh through our subsidiary, Prime Electric Limited. For details of this project please refer to the section titled "Objects of the Issue" beginning from page – of this document.

At times, due to requirement of the customer to import directly from manufacturer abroad, we book the orders directly in the name of our foreign suppliers who then make direct delivery to our customers in India against direct payments. In all such cases, our company gets a net commission as our share of profit, which varies from case to case. This income gets reflected in our profit & loss account as net profit but the amount of sale transaction is not added in our sales turnover even if the complete transaction is like a normal project sale except that the delivery of the goods is directly made by our foreign supplier to our Indian customer. Our involvement in each such transaction is exactly the same as in the case of a local sale made by us. We undertake all the following activities which we undertake otherwise for products/ equipments being sold by us to our customers

- The awareness campaign for products, Sales conferences, Seminars, Trade fairs, demonstrations and education for our customers on such products, technologies and their usefulness.
- Creating of a demand/indent for each such product within the customer organisation.
- Fixing of specifications, product parameters and application possibilities for floating of tenders/enquiries by the customer.
- Filing of tenders with earnest money deposits/Bank Guarantees. Follow-up of tenders, providing technical clarifications and conducting negotiations etc. leading to the finalisation of the order placement.
- Submitting of the Performance Bank Guarantees towards successful execution of the contract and also towards the successful performance of the ordered equipment/machine during the guarantee period.
- Continuous co-ordination with the foreign supplier to ensure the right scope of delivery, pre-despatch inspection, appropriate packing and forwarding arrangements in line with the customer's requirements.
- Installation, commissioning and operational training to the customer's staff at their premises anywhere in the country.
- Continuous operational support to the customer's staff/engineers till the time they are sufficiently trained to carry-on their own.
- Complete maintenance of the ordered equipment/machine during the entire guarantee period including spare part supply and foreign trained man-power support.

As on August 31, 2009, we have an order book of Rs. 1296.56 millions from our various customers. In financial year 2008-09 our standalone income from operations (comprising net sales, service charges and commission) were Rs. 1,311.74 millions and standalone net profit before taxes was Rs. 105.39 millions as compared to standalone income from operations (comprising net sales, service charges and commission) of Rs. 517.83 millions and standalone net profit before taxes of Rs. 13.28 millions respectively in the financial year 2005-06. The CAGR of our standalone income from operations (comprising net sales, service charges and commission) and standalone net profit before taxes over the last three fiscal years stood at 36.32% and 99.45%. For details of the financial statements refer to the section titled "Financial Statements" on page [●] of the Draft Red Herring Prospectus.

OUR BUSINESS STRUCTURE

We have organized our business into following distinct segments.

A. ELECTRICAL AND ELECTRONICS TESTING & MEASURING EQUIPMENTS DIVISION

We import vast range of sophisticated testing, measuring, preventive and predictive maintenance and condition monitoring equipment and technology based systems through tie-ups with global leaders in their respective fields. The timely identification and introduction of such advanced technologies helps our customers to expedite their growth by improving efficiencies with cost reduction. We mainly cater to the needs of the power & energy sector under this segment of business. We have entered into technical and marketing tie-ups and exclusive agency or distribution agreements with manufacturers abroad to sell these products with value addition in territories including and/or exclusively in India. Under this business vertical, we offer the following products and services to our customers.

- a. Infrared thermo vision scanning and thermal imaging systems.
- b. Electrical testing equipments for protection systems and switch yard maintenance.
- c. Portable test equipment for maintenance of relays, breakers, batteries and transformers.
- d. Extra high voltage (AC/DC) test systems, Impulse voltage & impulse current test systems for testing HV (High Voltage)& EHV (Extra High Voltage) cables and Transformers etc.
- e. Transformer condition monitoring systems.
- f. Emergency restoration system (ERS) for transmission lines per IEEE standard (a leading developer of International Standard and earlier known as Institute of Electrical and Electronics Engineers)

Our main customers in these products line include BHEL, NTPC Limited, Power Grid Corporation of India Limited, and All State Electricity Boards in India, ABB Limited, Siemens Limited etc.

- **Infrared Thermal Imaging Camera**

We have a decade old tie-up and selling agreement with M/s FLIR Systems Inc., Sweden - the leading name in the field of Thermography and Thermal Imaging Systems in the world for sales to our customers within the territory of India, Bangladesh, Nepal and Bhutan. The major applications of Infrared Imaging Camera are Location/ identification of problems in all power plant equipment and machines such as transformers, switchgear, rotating machinery, cables in all plants before they cause breakdown. This allows for preventive & predictive maintenance as opposed to schedule based maintenance and therefore leads to greater efficiency and cost savings. This range of products uses state of the art infrared imaging technology that detects infrared radiation or heat enabling the operator to see or measure minimal temperature difference. We have been selling this products under and international independent agreement since June, 1999 with FLIR systems Inc.. The arrangement has been renewed on September 24, 2009 and is valid till September 30, 2010. Our income from this business segment in the financial year 2008-2009 was Rs. 111.78 million

- **Electrical Testing and Measuring Equipments for Cables, Protection System & Switch Yard Maintenance**

We are one of the major suppliers of Electric Testing Equipments for cable fault location and for Protection System & Switch Yard Maintenance in the Indian market and source this equipments from SebaKMT, Germany and Highvolt GmbH of Germany, with whom we have exclusive agreements. The details of products and its uses are as under

Power Cable Fault Location System:

The system mounted on special purpose mobile vans, is used for locating faults in the underground power cables. The main equipment is imported from our foreign principal SebaKMT, Germany.

Value additions

Special type of van is designed and fabricated for this EHV unit with insulated body with utmost safety features in which, the main imported instrument is installed and the system becomes mobile and can be taken to the respective sub-stations for the location of cable faults. In addition to the van, various local testing instruments being produced by our factory together with several bought outs are integrated into the system to make it fully operational. The local value addition works out to approx. 25-30% or more depending on the scope of the orders being received from various customers in India. The brief description of the products is as under:

Cable Fault Locating Test Vans, Portable Cable Fault Locating Systems, TDR Time Domain Reflectometer, Surge Generators (Thumper), Surge Wave Receivers (Acoustic Listening Device), Cable Burn down Instruments, Sheath Testing and Fault Location- earth Fault Locating test sets, Cable Identification Device, Phase Identification device.

Power Cable/ Test and Diagnosis

VLF – Test Systems, AC/DC test system, Dielectric Diagnosis and Partial Discharge Measuring.

Leak Location on Pipelines

Leak Detection Van, Pre- Location logger, Acoustic Point Locator, Pin- pointing with Gas Leak Location Correlator, Flow Measurements, Metal Location, Non – Metal Location and Marker Object Locating.

Cable and Pipeline Location

Cable Route Locator/ Route Tracer and Marker Locating Systems.

Portable Test Instruments

We have arrangement with Meggar Limited, UK for Portable Test Instruments for Maintenance of Relays, Circuit Breakers, Battery Systems and Transformers.

Extra High Voltage (AC/DC) Test Systems

We source high voltage AC/DC test systems, Impulse voltage test systems as well as impulse current test systems for electric power equipment for indoor and outdoor use from Highvolt of Germany, one of the leading company in the world in this field.

Our income from this business segment in the financial year 2008-2009 was Rs. 353.20 million

• Transformer Condition Monitoring System

We are in tie up with General Electric International Inc. USA (General Electric, Canada) since the year since January 2002, provides the latest technology of Dissolved Gas Analysis (DGA) which is essential test for condition monitoring of electrical transformers. This is done by monitoring the evolution of gases inside a transformer through a sensor equipment installed externally. This data allows a diagnosis of the transformer health by our team. The installed sensor can also be programmed to give an alarm if certain threshold values are exceeded to enable timely preventive action. Our ITP (Independent Third Party) Master Agreement with GE which is renewed annually, to sell their transmission and distribution – monitoring and diagnostic products is currently valid up to 31st December 2009 for geographical territory of India, Bangladesh, Bhutan and Nepal. Under the agreement our technical people are trained by GE and we are permitted to offer value added services attached to their products to our customers. The product range includes

- On-Line monitor of moisture in oil,
- Transformer monitoring & control system,
- On-line intelligent system for the detection and monitoring of faulty gases in Transformers as well as moisture and other key parameters,
- Incipient fault gas and acetylene monitoring system and
- Load tap changer monitoring systems.

• Emergency Restoration System for Transmission Lines

We in agreement with M/s Lindsey Manufacturing Company, USA has been providing solutions of Emergency Restoration System (ERS) as per IEEE standards since 1999. Lindsey has been engaged in this line of high tech ERS Systems having vast experience in design, maintenance and line restoration. The IEEE Emergency Restoration System is the premier, state of art transmission line restoration system in use in different utilities in various countries. These Systems have proven their performance in every conceivable emergency situation arising out of floods/ earthquake/ hurricanes/ sabotage etc. Our sales agent agreement has been recently renewed on 19th January 2009 and now its validity is on 'on-going' basis, unless terminated

In addition to above, we also import and provides services of the following hi tech equipment products to our customers in power and energy sector.

- Infrared Inspection Windows
- UV / Corona Discharge Inspection Cameras
- High Accuracy Energy Audit Meters & Prepaid Energy Meters
- Electrical Safety Tools for Switch Yard/Railways/Builders for Maintenance.(Earthing System / Safety Gloves & Tools / Voltage Detector)
- Partial Discharge Equipment (Portable & Online for GIS upto 800KV)
- Break Down Voltage Test Kit (Fully Automatic & Semi Automatic)
- Fully Automatic Reclamation (Oil regeneration) Plant

Our income from this business segment in the financial year 2008-2009 was Rs. 198.10 million

B. POWER CONDITIONING (UPS) DIVISION

We are one of the major player in the field of high capacity UPS system in India to various customers in tie-up and distribution agreement with R.P.S. S.p.a of Italy (formerly known as Aros Srl.) and Piller Germany GmbH & Co. KG for sale, installation, commissioning and maintenance of their Static &

Dynamic UPS systems in India, respectively. In most cases, we undertake the supply of the high capacity UPS systems as a turn-key project, duly installed and commissioned, including value addition in terms of Batteries, Cables, Terminals, Storage Racks, Isolating Transformers, Panels, Gensets etc. These systems are generally of high capacities going up to 2.5 MW per unit and therefore, each business is in the nature of a project. The approximate local value addition is approximate 20-30% or more.

The Aros static UPS in the range of 10KVA to 800 KVA are sourced from RPS S.p.a.(a company of Riello Electtronica Group, Italy) and Dynamic UPS ranging from 150 KVA to 2.5 MW are sourced from Piller Germany GmbH & Co. KG, Germany with whom we have distribution agreement for sale and services in India. The agreement with RPS S.p.a is valid till 31st March 2012 and that of PILLER Germany GmbH & Co KG has since been renewed.

The RPS S.p.a are leading manufacturer in the power conditioning solution (online double conversion UPS systems). These online UPS systems which have an in built system of battery care management and option of expandability of the power capacity by paralleling the systems. The LCD panel on the front screen ensures that all the control functions are easily manageable. These online Ups systems, operate on a wide mains voltage range from 320-480 V. The systems offers an efficiency upto 98% in the Eco mode & with 93% efficiency in double conversion mode even at 50% loading which leads to saving on the power bills. These UPS system also ensure reduction in harmonics and maintain the THDi (Total Harmonic Distortion of Current (i)) at less than 3%. These UPS systems are customized solutions with many unique features, to match the industry standards.

From Piller Germany GmbH & Co. KG, Germany, we source Dynamic UPS like UNIBLOCK-T. These UPS systems are environmental friendly as uses no batteries. The UNIBLOCK – T Diesel offers reliable and offers a clean and uninterrupted power supply. These UPS system combines high performance machine construction, advanced power electronics & the latest microelectronics to give an unrestricted energy flow under all load conditions and are highly suitable for Defence and Civil Aviation.

Our major customers of UPS includes Delhi Metro Rail Corporation Limited, Department of Space, Mazagon Dock Limited, Airport Authority of India, Nokia Siemens Network Private Limited, Siemens Limited, Bhushan Power & Steel Limited etc.

ANNUAL MAINTENANCE CONTRACT

We have a large team of qualified and trained engineers for providing after sales service to various customers in India. The instruments / systems being supplied by us need continuous preventive and break down services in view of its critical working. After the completion of the warranty period, the customers usually enter into an annual service contract with us for un-interrupted services and the annual maintenance revenue of our's is increasing year after year. The overall expenses on this head is comparatively very low and we have indigenized some of the replacement parts thus the major part of the revenue is net profit to us and making it our assured business. The annual increase of revenue on this head including technical service charges is approx. 50%. In the financial year -2008-2009 our revenue from Annual Maintenance contract services amounted to Rs. 40.93 Millions and technical services charges amounted to Rs. 22.57 millions.

As per our restated financial statements, the total income from Testing, Measuring, Restoration & Condition Monitoring Equipments during the financial year 2008-09 was Rs. 1,152.91 millions.

C. MANUFACTURING FACILITY

We have our manufacturing facility located at an industrial plot with built-up area of 40,000 sq. ft. on a land measuring 1800 sq. meters at Plot No.300, Phase-I, IMT Manesar, Gurgaon, purchased from HSIDC. We manufacture customized high precision engineering products and also manufacture complete range of investment casting of ferrous metals and alloys. The details of products being manufactured by us is as under

1. Precision Engineering Equipments

Our Precision Engineering manufacturing division is an ISO 9001-2000 certified manufacturing unit. We specialize in development from concepts and manufacture of customized engineering products with focus on power sector. Our product range include Critical items of Steam turbine systems for Turbines up to 500 MW and the items produced in-house by us include the Main Oil Pump Impellers and complete Assemblies, Guide blades, guide blade carriers, Governing Rack etc. We also manufacture Hydro turbine runners and its other components; Industrial valves; specialized tooling and even highly complex customized machines including robotics.

Main Oil Pump is used in power generation plants for continuous supply of lubricants to the bearings of steam turbine. This is a very critical item directly coupled to the turbine shaft. Impeller of this assembly, which is also manufactured by our company, rotates at a very high speed (3000 rpm) along with the turbine for its lubrication. This is an import substitution item which was first time developed in India by our company. Other critical items like Guide blades of various types are also manufactured by us. Performance of the turbine is dependent upon the accuracy of these blades and therefore the degree of precision is very critical for such Turbine parts being manufactured by us.

Industrial Valves

We also manufacture industrial valves, which include Butterfly valve (Integrally Moulded Rubber Lined, Three Piece Design Ball Valve, Pressure (Safety) Relief Valve etc. for regulating the flow of fluids like steam, gas, water, air etc. through pipe lines. These find application in large quantities in industry like Power plants, Petroleum refineries, chemical & fertilizer plants, paper & cement plants, Sewage Treatment Plants and Water Treatment Plants etc. The Valves are apparatus used for controlling the flow of fluid material [liquid / slurry / gas / steam] through pipes.

The demand for valves is linked to economic and infrastructure growth. In fact every industry needs to handle different types of fluid and hence valves are used universally and hence demand for this product is growing. Moreover the valves are also replaced routinely during maintenance shutdown of plants and therefore its requirement is regular and repetitive in nature including the replacement market.

Our manufacturing facility comprises of state of the art tool room, production facility and testing and quality control laboratory. Our engineering and tool room facility is equipped with the latest hi-tech 3D CAD/CAM workstations along with conventional and CNC machines.

Production and fabrication facility is also equipped to cater to the customized engineering requirements with a range of machinery and equipments like Horizontal Boring machines, Universal Milling machines, Lathe machines, Cylindrical & surface grinding machines along with CNC machining centers and Tinston/ Metal Inert Gas (TIG/MIG/) Arc welding machines amongst others.

Quality Control

The unit is very well supported by testing and quality control facility that consists of Optical emission spectrometer, Universal Testing machine, Impact testing machine etc. for chemical & mechanical testing along with non –destructive testing instruments for radiography, magnetic particle inspection, dye penetration testing and ultrasonic testing; and a range of measuring instruments for precise dimensional inspection. Moreover, we have the facility for testing of Impellers under over-speed condition for checking its mechanical strength/structural integrity.

We have been a leading organization for more than a decade in supplying original precision components leading Indian Corporations including Bharat Heavy Electricals Limited, Maruti Suzuki Limited, Indian Space Research Organization (ISRO) and various overseas customers like Laux – Industrie GmbH; Germany, Tabuchi Corp.; Osaka ,Japan.

R & D Facility

This manufacturing unit also functions as the Research and Development unit of our Company. We have received a development order from Bharat Heavy Electricals Limited (BHEL) for developing Glide Blades comprising of cast glide blade and fabricates blades. We are also in the process of manufacturing cast glide blades and glide blade carriers for BHEL which are used in turbines up to 500 MW.

2. Investment Casting Division

We produce investment castings in a wide range of metallurgy from ferrous alloys to Nickel & Cobalt based Super Alloys. Our castings are produced as per the International Quality Standards. Our investment casting facility is ISO 9001-2000 certified unit. We have a team of qualified and experienced Engineers and Metallurgists who manage the operations in Investment Casting Division. The production capacity of our investment casting division is 400 MT per annum. The manufacturing facilities in Investment casting division has

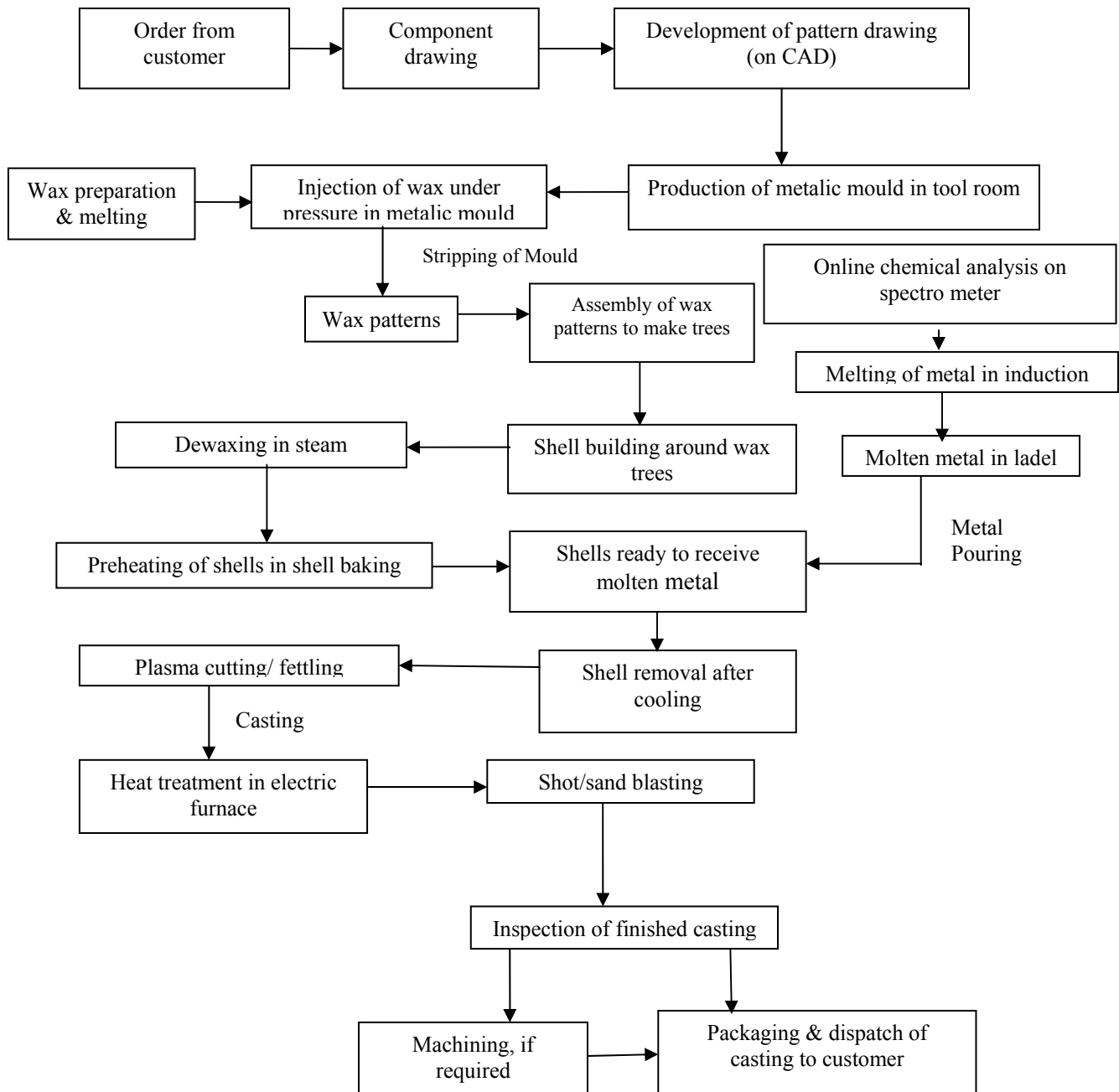
- In-house foundry for making up to 30kg single piece casting
- In-house heat treatment facility like annealing, normalizing, quenching, tempering and stress relieving in electric furnace
- Exclusive vendor tie up for higher weight range of castings.

The manufacturing process in the investment casting divisions is as under:

- Firstly 3D modeling of the mould is developed with the help of CAD and based on the models; the dies are manufactured from mild steel or aluminium material.
- Molten wax is injected into the moulds under pressure using wax injection press to form Wax patterns. These wax patterns are replica of the casting to be produced.
- Multiple wax pattern are then mounted around a stem of wax to create a “tree”.
- The assembled wax trees are then taken into the Shelling process, to provide hard ceramic coating on wax tree by applying number of ceramic coats depending upon shape, size & weight of the article in controlled atmosphere. Ceramic Shells are stored in controlled atmosphere between each coat for drying of coated ceramic.
- Once the ceramic has dried, the entire assembly is placed in a steam autoclave for de-waxing and the residual wax is then fired off from the shell.
- Metals as per the requirements of the alloys are melted in induction furnace. The molten metal is then tested in Emission Spectrometer to check the chemical composition as per the client specification before the metal is poured into the shells. The preheated shell is then filled with molten metal by gravity pouring the metal into the ceramic shell.
- After proper cooling the shell is removed and castings are cut out from the trees and taken up for fettling, heat treatment, shot blasting, inspection, packing and dispatch.

The precision Investment castings by lost wax process is the most flexible metal forming technique available and also the most cost effective way of designing and manufacturing intricate components for a wide range of manufacturing industry.

PROCESS FLOW CHART OF INVESTMENT CASTING



The production floor has a tool room with CAD / CAM engineering facility, machine shop, machinery for wax injection, shell production in temperature & humidity controlled environment, induction-melting furnaces, shot & sand blasting machines, Air plasma cutting machines, TIG welding machines, heat treatment furnace in addition to CNC & the conventional machining facility

The quality control floor is backed by a state of art physical & chemical laboratory comprising of advanced equipment covering 3D measurement inspection system, optical emission spectrometer, Universal testing machine, Impact testing machines, Hardness testers etc.

OTHER PRODUCTS:

We are manufacturing and supplying Stator Blades and other components like clamping pieces, balancing weights etc. of Steam Turbine for BHEL. The Division also manufactures machinery parts for Ingersoll Rand and others. We are also supplying the castings as well as finished components to Automobile majors like Tata Motors, Maruti Suzuki etc.

3. Electronics & Engineering Division

Under this division various products are being manufactured by us, such as:

Ecolight:

The product has recently been developed under Technical collaboration arrangement with M/s ILUM-A-LITE PTY LTD, Sydney, Australia. Ilum-a-Lite is an International Company which designs, manufactures, distributes and supports a range of fluorescent lighting energy conservation products and services. Ecolight enables the user to save up to 30% of the power consumption. It is ideal for Tube lights used in office blocks, shopping malls, hotels, warehouses, hospitals etc. It reduces greenhouse gas emissions and heat loads in buildings. The details of technical collaboration agreement dated 13th March 2007 are as under

- The Licensor shall transmit its technical information and shall assist us in design, engineering development and manufacturing product.
- The Licensor shall train our personnel and also delegate its personnel at our factory for production and marketing support
- We have to pay a lump sum amount as fee and royalty as described in the agreement.

Light Emitting Diodes (LED):

This is a new technology for lighting in which LEDs are used as source of light. In this type of lighting there is almost 70% saving of the power. This is suitable for office blocks, streetlights, parking lot lighting etc. The division is currently developing this type of lighting systems. Apart from being energy efficient, this lighting system is long lasting, less heat emanating and therefore, highly eco-friendly also.

In addition to these, this Division also develops and manufactures Cable Fault locating instruments and high voltage surge generators for power distribution applications.

4. Prosthetic & Orthotic Division

In order to serve the society as a part of our Corporate Social Responsibility (CSR), we have set up manufacturing facilities for making hi-tech and high quality Prosthetic and Orthotic (P&O) Products at affordable cost to serve the needs of the physically challenged. The Company manufactures various Prosthetic (artificial limbs) and Orthotic (limb supports) under the name of Ranger Foot, Atlas Limb, Aqualimb, Safety Knee Joint and Calliper Type Knee Joint.

The Prosthetic and Orthotic products manufactured by the Company are sold to Endolite India Limited, one of the Promoter Group Company established as joint venture with Chas A. Blatchford and Sons, UK. Endolite India Limited is providing Prosthetic and Orthotic services with technical and clinical support to maximize benefits to patients and practitioners in India and neighbouring countries through its network of 30 centres and sub-centres as well as through their franchise outlets numbering nearly 200 and return NGO's, who are in turn supporting hundreds of NGOs' throughout the country with PCI manufactured Prosthetic & Orthotic products.

Our segment revenue from manufacturing activities was Rs. 90.39 millions for the fiscal year 2008-2009 and is expected to grow in view of the current order book position.

We are proposing to expand the capacity of our precision engineering and investment casting division by setting up a new plant. For details, please refer the Section titled “Objects of the Issue” on page [●] of the Draft red herring Prospectus.

D. OTHER BUSINESS ACTIVITIES

1. Projects Division

We have also ventured into execution of Projects under contracts on turnkey basis and as a consortium partner, supporting larger EPC Companies in execution of the projects. We are executing a project for supply, erection, testing and commissioning of 2 x 50 MVA, 132/33 KV Grid sub station at Sahebganj, Jharkand. for Trans- Power (P) Limited who are contractor for Areva Power. The value of order is 25.40 millions and the project is nearing completion.

Project for Indian Railways

We are also engaged in the setting up of a Coil Spring manufacturing unit as Indian associates to the principal contractor M/s Bumar Sp.zo.o., Warsa, Poland for the Indian Railways at Gwalior. The Indian railways have plant in Gwalior for manufacture of helical coil springs and a new production line is being set up for manufacture of all type of springs. The acceptance letter dated 15.01.2007 of Indian Railways (Central organization for modernization of workshops) issued in favour of M/s Bumar Sp.zo.o as principal contractor and in our name as Indian Contractor. In this project, Bumar as the principal contractor is supplying all critical furnaces, coiling machine and oil quenching system and all other auxiliary machines. We as the Indian associate of Bumar are responsible for supply of indigenous machinery, civil foundations, erection of all machines including imported machines, cooling water pipe lines, gas & compressed air pipe lines and integration of the complete spring production line for commissioning. The machinery has arrived at site and erection work is in advance stage. This project is scheduled to be completed by March 2010. The total cost of projects under execution is approx. Rs.274.55 Million out of which our portion is Rs. 62.71 million.

2. Power Generation

We have forayed into power generation by way of setting up of 3 wind farm of 1.5 MW each at Kutchh in Gujarat state. The wind farm with wind turbines procured from Suzlon, offers 4.5 MW generation capacity. The electricity generation has started from March 2008. The entire power generated is being sold to Gujarat Urja Vikas Nigam Limited, Vadodra under a 20 year agreement at unit rate of Rs.3.37 per KWH. In the fiscal year 2008-2009 the wind power project has generated a gross revenue of Rs.32.96 millions.

The energy generated by these mills is considered to be green energy as per Kyoto Protocol and UNFCCC Regulations which entitles us to get carbon credits through clean development mechanism of UNFCCC.

3. Aerospace Division

We have a tie up and represent M/s Diamond Aircraft Industries, Austria to offer a complete range of sales & service of high - technology single engine, twin engine & jet aircraft, advanced aerial surveillance, and flight simulator solutions. Through its range of the sleek single / twin engine, jet engine aircraft, the aerospace division addresses the needs of corporate houses, flying schools, hobby & adventure flying needs. We have till date marketed for sale of 40 such aircrafts in India including to the Govt. owned prestigious Pilot Training Institute IGRUA (Indira Gandhi Rashtriya Uran Academy) at Raebareli. Orders for this aircraft was placed by our customers with principal M/s Diamond Aircraft Industries, Austria through our company.

The Aerospace Division has also collaborated with Diamond Airborne Sensing to offer a complete range of piloted or unmanned flying solutions to address various surveillance & mapping needs through the Multi purpose Platform specially designed to carry multi-functional aerial sensor equipment.

4. Aviation Division

We offer a vast range of Ground support equipment suitable for and in compliance with the latest market specifications, technical performances, environment protection, sound proofing, safety support quality etc. We have tie-ups with International players like Piller Germany GmbH & Co. KG, Germany and Taiwan Flying Industrial Company Limited, Taiwan. In this business activity we book order for our principals and the equipments are supplied directly to our customers against direct payment. We receive the agreed commission on these order. We are also responsible for all technical support services in respect of these sales.

5. Security Systems Division

The Security Systems Division offers a vast & comprehensive range of security solutions for a wide range of security & surveillance activities. The Security System Division of the company has tied up with FLIR Systems (USA) for security solutions in India with the latest technology in Thermal Vision Systems for Security and Surveillance for Land, Maritime, Air Applications with a viewing range (up to 20 Km) for detecting intruders in complete darkness, fog, smoke and dust. The broad spectrum of products sold by us meets the needs of public safety, defence and industrial users. This division is currently in the introduction and trial phase and we expect to generate substantial revenues in this line of business in the coming years in view of the fast growing security market in the country.

Our Plant and Machinery

Stated below are the brief details of present major plant & machinery and wind mills.

| Name | Manufacturer & Model | Age in Years | Purchase Price (Rs. in millions) |
|--|---|--------------|----------------------------------|
| A-12 Ton Hydraulic Wax Injection Press | Modtech Machines Pvt. Ltd | 4 | 3.10 |
| Vip Power Trak-R 125kw/3000hz(Type-P1) Induction Melting Furnace Pt-05213 B-1482 | Inductotherm India Pvt. Ltd Model Vip Pt 125-30 R | 4 | 1.39 |
| Transformer | Indian Transformer Model Ite/10642 & Ite/10643 | 4 | 1.11 |
| Slurry Tank Or Coating Unit | Modtech Machines Pvt. Ltd | 4 | 0.83 |
| Air Cooled Chiller | Blue Star Model Lcas2-024 | 4 | 0.58 |
| Thumbblast Shot Blasting Machine | Patel Furnace & Forging Pvt. Ltd | 3 - 4 | 0.41 |
| Sudhir Electric Genreting Set - 2 Nos. | Crompton Greaves Model Tbd3v8 | 3 - 4 | 1.59 |
| TIG Welding Machine | Fronius Model Magic Wave 3000 F422y | 4 | 0.39 |
| Airconditioning Plant | Blue Star | 4 | 1.98 |
| Spectromaxx M-01 No. Direct Reading Optical Emmision Spectrometer | Spectro Analytical Instruments Gmbh & Co. Model Bench Top | 3 | 2.31 |
| Dewaxing Boiler | Energypack Boilers Pvt. Ltd Model Autoclave -9/10 | 3 | 1.75 |
| Horizontal Boring Machine With D.R.O. | Utl-105 Model Ms-90 | 2 - 3 | 1.48 |
| CNC Turning Centre | Jyoti Model Dx200 | 2 - 3 | 1.59 |
| CNC Vertical Machining Centre | Bfw Model Agni Bmv 45 | 2 | 1.91 |
| 200 KVA Dg Set | Cummins Model 6ctaa8.3gi | 2 | 0.94 |
| Mazak CNC Turning Centre | Yamazaki Mazak Singapore | 2 | 2.68 |

| Name | Manufacturer & Model | Age in Years | Purchase Price (Rs. in millions) |
|--|---------------------------|--------------|----------------------------------|
| | Model Nexus 150e 3 300 U | | |
| Horizontal Boring Machine | Karam Machine Tools | 1 | 3.04 |
| CNC Vertical Machining Centre | Bfw Model Agni Bmv 45 T20 | 3 - 4 | 2.33 |
| Electric Generator 2 Nos. | Jakson | 5 | 1.37 |
| Epabx System | Siemens | 5 | 0.74 |
| Air Cooled Ductable Ac | Voltas | 5 | 2.59 |
| Computers and other IT items including HP server and Tagma storage | Multiple vendors | 0 - 14 | 32.50 |
| Windmills | Installed by Suzlon | 1-2 | 268.86 |

OUR SUBSIDIARIES

1. Prime Electric Limited (PEL)

Prime Electric Limited, a subsidiary of our company is setting up a unit for manufacture of transformers with an install capacity of 10000 MVA at Nayudupet Economic Zone SEZ in district Nellore, Andhra Pradesh. The location is near Krisnapatanam port and in close proximity to Chennai Port. PEL plans to manufacture Power Transformer up to 315 MVA / 400 KV. And the project is expected to be commissioned by December 2010. For details of the project, see section “Objects of the Issue” on page [●] of this Draft Red Herring Prospectus.

2. PCI Europe GmbH, Germany and PCI Asia Pacific Private Ltd., Hong Kong

Both these companies were incorporated during the last financial year 2008-2009. These subsidiary companies were incorporated with the idea to focus on the business of the company related to Europe and Asia Pacific. These subsidiary companies are also contributing to look for new business opportunities and to promote export of company’s products to Europe and Asia Pacific. Both are 100% subsidiaries of the company.

OUR STRENGTHS

We have over 23 years of industry experience which, coupled with our expertise and knowledge of the industry, positions us well to exploit the tremendous growth opportunities which India’s rapidly growing power sector is presently offering. Our following strengths and experiences helps us to compete successfully in our industry

Qualified and motivated employee base and management team

Our management team is well qualified and experienced in the industry and has been responsible for the rapid growth of our operations. Our chairman and managing director Mr. Surinder Mehta has over 31 years of experience in the industry and is the recipient of a number of prestigious awards including the most coveted “Padma Shri” by the President of India for his contribution in the field of “Technology Solutions”. In addition, our board of directors includes a combination of management as well as independent members that bring significant business experience to our company. Our senior management, listed in key management personnel on Page [●] has extensive experience in the industry.

We believe that a motivated and empowered employee base is essential to maintain our competitive advantage. As on August 31, 2009 we employ 531 full time employees, of which 89 are technical. The skills and diversity of our employees gives us the flexibility to adapt to the needs of our clients.

Wide product portfolio and ability to cater to diverse market requirements

We believe that we are one of the few manufacturer/ equipment provider in the country providing a vast range of hi-tech power equipment, systems and test instrumentation to power and other core sector

industries. We are also setting up a production facility through our subsidiary Prime Electric Ltd. to manufacture the entire range of Power transformers which will cater to diverse market requirements.

Wide customer base and long term customer relationship

We believe that we are preferred supplier to many utilities and power sector companies in India. This is because of our ability and our track record to provide technical solutions through our range of hi-tech power equipments, systems and test instruments to these customers on a continuous and uninterrupted basis. Since inception, we have maintained close relationship with our customers, based on our ability to customize and provide tailor made products and solutions as per technical requirements of client and requisite on-site and after sales service support. We have received large number of repeat orders from the power generation, transmission and distribution entities and from most of our industrial clients many of whom are our customers for more than a decade.

Project Execution, Value addition and Annual Maintenance Contracts for our imported products

We undertake project execution which entails manufacturing as well as value addition to the import content and thereafter the installation and commissioning as well as maintenance during warranty period and subsequently by way of Annual Maintenance Contracts (AMCs) for most of the products offered to our clients due to exclusive nature and extensive product knowledge and exclusive tie-ups and collaborations with the manufactures abroad

Tie-ups and Collaborations with leading manufacturers of products we deal in

We have exclusive tie ups and collaborations with some of the leading manufacturers abroad for imported products from whom we source the equipments to cater to the technological solutions requirements of our clients for critical inputs for their production processes. These enable them to optimize their production efficiency while minimizing the costs. Our core competence lies in meticulous identification of highly technical equipments and maintaining high standards of pre and post sales service. Some of our major principals from whom we import products are RPS S.p.a (Aros S.r.l, Italy, Lindsey Manufacturing Co., USA; SebaKMT, Germany; General Electric, Canada; etc.

Pan India reach and strong execution team

We are equipped to install commission and provide value addition services in any geographical area because of our pan India presence. With branch and service set up in all the four metros and also sales & service engineers at all other major & important cities, we are able to reach to our customers quickly in case of any requirements or unforeseen exigencies. Each branch has well-experienced and trained marketing and servicing man power resource, helping our clients to finalise the specifications, provide technical support and after sale service, which we believe gives us an edge over peers

OUR GROWTH STRATEGIES

We believe that we are well positioned to grow in the fast growing power and infrastructure industry. We aim to emerge as the most preferred partner of the leaders in power generation, transmission & distribution sectors and other core industry segments like telecom, petroleum etc by offering solution and services capable of meeting exacting standards. The important elements of our business strategy going forward are stated here under:

Expanding product range

We through our subsidiary Prime Electric Limited (PEL) is setting up a plant to manufacture power transformers with an install capacity of 10000 MVA /400 KV. There is high demand for transformers due to growing power sector in India. The margins in these transformers are also higher as compared to the smaller range of transformers. This would help us enter the power transformer segment and thus move up the value chain.

Focus on Customer Service and Processes

We intend to continue to focus on providing timely installation and commissioning of equipment, technical support, proper maintenance services which are critical part of our business. Our ability to assist customers in meeting their goals will contribute to our success. Accordingly, we have established a team dedicated to

exploring and leveraging customer-driven process improvement capabilities. We believe that this effort should enable us to increase revenue generation through improved speed, accuracy and quality.

Build On Our Strong Relationships with Major clients

Our understanding of the needs of our customers and our ability to convey effectively how we can satisfy those needs are key to our efforts to add new customers, cross-sell our services and identify desirable new projects. We are building on our strong relationships with our customers to gain more familiarity with their evolving new plans so we can identify opportunities where our nationwide portfolio of services and experienced personnel can be used to satisfy their needs.

Focus on taking projects with new technical innovations

We have a team of qualified technocrats with the experience in development of precision engineering equipments. Presently we are developing Glide blades (a import substitution) as per development order BHEL. These Glide blades are proposed to be utilized in their turbines being manufactured by BHEL. We shall continue to explore opportunities for developing new power equipment products.

Continue to invest in human resources and IT infrastructure

We believe that we have managed growth on the back of our own infrastructure, which ensured quality and timely delivery of our products. We will continue to invest in infrastructure, including human resources, to meet our growing needs. We plan to maintain the quality of our human resources and to continuously upgrade and benchmark our HR practices. We also plan to further strengthen IT support by installing latest software to integrate and keep track of our growing business.

ACHIEVEMENTS

1. Chandrayan Project:

We have supplied Ground Power Supply System for the Indian Moon Mission. All the mission critical ground control applications for the project where continuous power was required, Our UPS Systems was there to protect all the critical application. We are one of the largest vendor for UPS systems to various departments of space research including ISRO and Vikram Sarabhai Space Research Centre since long and has supplied UPS of more than 1.8 Megawatt which power critical areas like Satellite Tracking and command Centers, requiring maximum and uninterrupted, quality power availability at all times.

2. Cyclotron Project:

A medical Cyclotron Facility is being established by the Department of atomic Energy at Centre for Advanced Technology (CAT) Indore, which is mainly to be used for the production of radioisotopes for diagnostic image. We are the largest vendor for UPS systems for the Cyclotron Projects & all the critical application for the project is protected by UPS Systems manufactured and supplied by Piller Germany GmbH & Co. KG. We are responsible for all technical support.

3. Impellers - (Import substitution):

We have indigenously developed Impellers of 210 MW, 250MW & 500 MW Steam Turbines for BHEL. These Impellers were earlier imported from Siemens, Germany. Now after successful development and acceptance by BHEL, these are being regularly supplied by us. This has saved substantial amount of foreign exchange in last 4 years for the country with continuous savings even years thereafter.

4. X-Ray Generator Handling System - (Import Substitution):

We have successfully designed, manufactured and supplied a specialised X-Ray Generator and its Robotic Handling System to Indian Space Research Organisation (ISRO). Through this significant development, we could assist in saving of foreign exchange for ISRO. and also helped them in their space programme.

5. Turbine Blades- (Import Substitution):

Hollow Guide Blades of Steam Turbines are very critical items and BHEL at present and is importing from Switzerland. But based on the track record, they have now given the task to us to develop the same indigenously. It is in an advanced stage of development and successful completion of work is expected shortly which will result in substantial foreign exchange saving constantly over the years.

Our geographical reach

We being a product supplier/manufacturer and service provider, the geographical reach to our clients assume importance. We have a pan India presence with 21 offices which also have sales and marketing team. The region wise distribution of our offices is given below. Details about the location are given below:

| Regions | Location where office is situated | Total no. of office in the region |
|---------|--|-----------------------------------|
| North | New Delhi, Chandigarh, Noida, Kanpur, Gwalior, Gurgaon | 8 |
| East | Kolkata, Bhubneshwar | 2 |
| West | Mumbai | 4 |
| South | Banglore, Vishakhapatnam, Chennai, Hyderabad, Cochin, | 7 |
| | Total | 21 |

In addition we have 2 overseas offices of our subsidiaries one in Hong kong and one in Germany

MARKETING

We have a team of 91 personnel in marketing and business development as on 31st August 2009. The business development team of each vertical is headed by senior professional of the designation of Senior Vice President/ Vice President. The business development heads are responsible for identifying the business avail to us and enhancing the scope and size of projects which we apply or bid for. Our marketing and business strategy is as under

- We continuously monitor major projects which are forthcoming & track their implementation to fulfill our product requirements.
- We have a network of branch offices through which we approach the prospective customers on direct contact basis for promoting/ demonstrating the product range.
- We participate in widely attended leading trade shows/seminars viz. Eleccrama and Gridtech to address needs of specific sectors of utilities for applications/ usage of our product range.
- We continuously track tenders as published in leading dailies/ periodicals to bid for the opportunities
- Continuously track & update requirements at the market place to interface fusion of technology
- Technical seminars / presentations conducted at consultants/ OEM's / Engineering contractors to get our product specified based on technology merits.
- Close communication with various consultants and other influential agencies working in their core sectors
- We publish advertisements in leading magazines/ periodicals/ journals catering to specific sectors of industries in order to focus product applications and usage viz. Electrical Review, Ieema, Electric India.
- We conduct specialized technical training courses for our customers to make them better understand and adapt our offered technology based products in their respective organizations to improve their efficiency, avoid major break-down and cut costs in the process.

EMPLOYEES

We have 531 permanent employees as on our rolls as of August 31, 2009. These employees are employed in various categories & cadres at project sites & corporate & registered office. The details of employees is given below:

| Functions | No. of Employees |
|-----------------------------------|------------------|
| Management | 9 |
| Business Development / Marketing | 91 |
| Service and Maintenance | 79 |
| Manufacturing (Staff at Factory) | 91 |
| Manufacturing (Worker at Factory) | 92 |
| Projects | 6 |
| Finance and Accounts | 29 |
| HR and Administration | 99 |
| Commercial / Purchase / Store | 31 |
| Information Technology | 2 |
| Legal, Secretarial | 2 |
| Total | 531 |

| Deucation Level | No. of Employees |
|---|------------------|
| Engineering Degree | 89 |
| Diploma Holders & Technicals | 123 |
| Other Professionals (including MBAs, CS, etc) | 45 |
| Graduated | 77 |
| Skilled Workers | 47 |
| Under-graduates & unskilled workers | 150 |
| Total | 531 |

HR Policies and Training

We have our HR manual and our HR policies are based on the belief that human resources plays a vital role in long term achievement of goals of our company. Thru HR policy aims at attracting, retaining and motivating the best talent through various skilled behavioral programme. We give our employees feedback and support and ensure that good performance is appropriately recognized. We determine the employees' compensation by the specifications of the position, competencies and performance. Wherever possible, we use success and performance driven compensation systems that include special increments. For employees working in the marketing department we have a special incentive scheme subject to achievement of individual targets.

Our employees are also entitled to all benefits as are required by law in India including Provident Fund, Gratuity and ESIC. To ensure employee health and safety, we have a medical reimbursement scheme for reimbursement of medical expenses in addition to group Mediclaim policy obtained from Oriental Insurance Company limited. The group personal accident insurance policy for all our employees for total sum assured of Rs. 55.30 million has been obtained from Oriental Insurance Company limited by us. We are committed to provide a work environment that is free from all from of discrimination and conduct that can be considered harassing, coercive or disruptive. We maintain good working relationship with our employees.

OUR PROPERTIES

The following table set out details of properties owned / taken on lease by us:

OWNED PROPERTIES

(Rs. in millions)

| Sr. No. | Location | Area | Name of seller | Consideration paid | Nature of property | Use of property |
|---------|---|-----------------|--|--------------------|--------------------|-------------------|
| 1. | 3rd Floor, 11/5B, Pusa Road, New Delhi -110 005 | 788.38 sq. mtr. | Veena Taneja, Kamal Kumar Taneja, D N Taneja HUF, Anjali Chawla, Hemant Kumar, Lajpat Rai HUF, Pawan Kumar, Lajpat | 12.50 | Freehold | Registered Office |

| Sr. No. | Location | Area | Name of seller | Consideration paid | Nature of property | Use of property |
|---------|---|-------------------|---|--------------------|--------------------|---|
| | | | Rai Taneja, Neeleshwar Housing & Land Development Private Limited, Uniworth Constructions Private Limited | | | |
| 2. | Industrial Plot No. 300, Sector - 6 IMT Manesar, Gurgaon, Haryana | 1,800 sq. mtr. | Haryana State Industrial Development Corporation Limited | 2.70 | Freehold | Factory |
| 3. | Plot No 287 - 288, Industrial Complex, Udyog Vihar Phase II, Gurgaon, Haryana | 4,470 sq. mtr. | Haryana State Industrial Development Corporation Limited | 0.03 | Freehold | IT Building / Corporate Office under construction |
| 4. | Village Rampur, 180, Tehsil Nuh, Gurgaon, Haryana | 7633.55 sq. mtr. | Bissu, s/o Dhan Singh | 0.09 | Freehold | Vacant land |
| 5. | Village Rampur, 180, Tehsil Nuh, Gurgaon, Haryana | 16448.46 sq. mtr. | Bissu, s/o Dhan Singh and Patram, s/o Bissu | 0.02 | Freehold | Vacant land |

LEASED PROPERTIES

The following table sets out details of properties taken on lease by us for running our Branch offices:

| Sr. No. | Location | Nature of property | Lease valid upto |
|---------|---|--|--------------------|
| 1. | Gala No. 238, Udyog Bhawan Sonawala Road, Goregaon (East), Mumbai - 400 063 | Leasehold along with Furniture & Fixtures | February 21, 2011 |
| 2. | Gala No. 239, 2nd Floor, Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai - 400 063 | Leasehold | August 31, 2010 |
| 3. | 148, 1st Floor, Udyog Bhawan CTS No. 85, Sonawala, Goregaon (East), Mumbai - 400 063 | Leasehold | May 31, 2011 |
| 4. | No. 301, 3rd Floor, Acropolis, Military Road, Marol, Andheri (East) Mumbai - 400 059 | Leasehold along with Furniture & Fixtures | September 30, 2013 |
| 5. | Plot No. B - 104, Mayapuri Industrial Area, Phase - I, New Delhi - 110 064 | Leasehold | February 28, 2015 |
| 6. | 8A - 8H, 1st Floor, 11/5 B, Pusa Road, New Delhi - 110 005 | Leasehold | May 07, 2011 |
| 7. | 63/12, Rama Road, New Delhi - 110 015 | Leasehold | January 10, 2017 |
| 8. | 1st Floor, SCO No. 913, N.A.C., Manimajra, Chandigarh | Leasehold | June 30, 2011 |
| 9. | Flat No. 2B, 2nd Floor, Neelkanth, 26B, Camac Street, Kolkata - 700 016 | Leasehold alongwith Furniture and Fixtures | May 15, 2016 |
| 10. | Plot No. B - 32, Sector - 7, Noida | Leasehold | May 31, 2010 |
| 11. | 2nd Floor, Building No. 48, 2nd Main Road, Vyalikaval, Bangalore - 560 003 | Leasehold | January 14, 2015 |
| 12. | No. 70 / 147, 1st 'N' Block, Dr. Rajkumar Road, Rajaji Nagar, Bangalore | Leasehold | August 31, 2017 |
| 13. | Door No. 43-9-226/11, Flat No. 301, 3rd Floor, Sri Priya Complex Railway New Colony, Vishakhapatnam - 530 016 | Leasehold | July 18, 2010 |
| 14. | 2nd Floor, West at Brooklyn Business Centre, Door No. 103 - 105, Poonamallee High Road, Chennai - 600 084 | Leasehold | March 14, 2010 |

| Sr. No. | Location | Nature of property | Lease valid upto |
|---------|---|--------------------|-------------------|
| 15. | 2nd Floor, Flat No. 203, OLBEE Center, Raj Bhavan Road, Hyderabad | Leasehold | October 14, 2009 |
| 16. | Office No. F-113 & 112, 1 st Floor, 'City Centre' 63/2 The Mall, Kanpur | Leasehold | May 31, 2010 |
| 17. | Flat No. F-21, 1st Floor, HIG-503, Ratan Lal Nagar, Kanpur | Leasehold | May 31, 2010 |
| 18. | Plot No. 5208/5840, Gajapati Nagar, District of Khurda | Leasehold | January 31, 2011 |
| 19. | Two flats each on 1 st and 2 nd Floor, 296 Tulsi Vihar City Centre, Gwalior | Leasehold | June 30, 2010 |
| 20. | 50/125 (K.V. - 2, First Floor), Panampilly Nagar, Cochin - 682 036 | Leasehold | February 29, 2010 |
| 21. | Village Jangi, Bhachau Taluka, Kutchh | Leasehold | January 31, 2028 |

In addition to above, we are also having an office at Building No. 19, Rajendra Park, New Delhi-110 060 for which Mr. Surinder Mehta, our Managing Director has given a non objection dated November 20, 1989 to the Company for use of space for office purpose.

To our company's knowledge and except as stated in this section of the Draft Red Herring Prospectus, the properties acquired by our company are free from all encumbrances (except for being charged as security towards financial facilities) and have a clear title.

OUR INTELLECTUAL PROPERTY

Our Company has received Certificate of Registration for our name "PCI" under class 6 and 9 of the Trade Marks Act, 1999 vide Trademark No. 1454393 dated May 15, 2006 and Trademark No. 1454394 dated May 15, 2006 respectively. The registration for said trademarks are valid upto May 14, 2016. In addition to the same, we have made applications for the registration of trademarks for our various brands and the logo of Prime Group. For details refer to Page [●] under Section "Government and Other Approvals" of Draft Red Herring Prospectus:

The logo of our Company is registered as copyright in the name of our Promoter, Mr. Surinder Mehta vide copyright registration no. A-84168/2008 dated October 31, 2008. However he has permitted us to use the same unconditionally and without any consideration by his letter dated December 11, 2008.

Except above, we do not have any other intellectual property rights registered in the name of our Company.

INSURANCE

We and our subsidiaries have taken a comprehensive range of insurance policies covering our assets and operations at all levels that we believe to be appropriate. Our Insurance policies include:

- i. Fire policies for our plants, buildings and offices, raw materials, work-in-progress and finished goods
- ii. Marine policy for transit of raw materials and finished products in India and marine export policy,
- iii. Vehicle Policy

We also maintain business interruption insurance and terrorism is specifically excluded from all our policies. The total coverage under all our policies as of August 31, 2009 was Rs. 3025.68 millions.

EXPORT POSSIBILITIES AND EXPORT OBLIGATIONS

We are presently exporting investment casting (as per customer specifications) to our customer in Germany which are used for assembly of different types of industrial caters and industrial safety devices. Further we

also export various prosthetic and orthotic products like sach foot, aqua limb foot, manufactured by us besides the tools for production and fabrication of artificial limbs. During the financial year 2008-09, our export turnover in was Rs. 48.18 millions and commission earned in foreign currency on the sales made by our principals to our customers on the basis of our orders was Rs. 107.73 millions. Presently we do not have any export obligation.

ENVIROMENTAL MATTERS

We are in compliance with all existing environmental regulations applicable to our business and has obtained necessary permissions from the competent authorities

KEY INDUSTRY REGULATIONS

1. **Factories Act, 1948**

As per the applicable provisions of the Factories Act, 1948 ("**Factories Act**"), read along-with the rules framed there under, no person can operate a factory till such time it has obtained a license from the designated authorities under the Factories Act, 1948. Generally, registration/license under the Factories Act is issued on yearly basis and is required to be renewed annually. Factories Act, is a central law which primarily regulates working conditions of workers in factories and to ensure that basic minimum requirements for the safety, health and welfare of factory workers is provided. The Act also regulates the working hours, leave, holidays, overtime, employment of children, women and young persons etc.

2. **Compliances under the provisions of various Pollution Control Laws**

India has a comprehensive environmental protection legal framework comprising three major statutes viz:

- (a) The Water (Prevention and Control of Pollution) Act, 1974;
- (b) The Air (Prevention and Control of Pollution) Act, 1981;

In order to achieve the objectives of control, and to abate and prevent pollution, Pollution Control Boards ("**PCBs**") vested with diverse powers have been set up in each state. As the operations of the Company are in the state of Haryana, the Company is required to comply with the norms prescribed by state PCBs' of the states.

Any establishment intending to operate a factory or manufacturing facility in India is required to obtain prior permission/consent from the appropriate State Pollution Control Board before operating any such unit or factory.

The approvals /permissions as obtained from the State Pollution Control Board are for the specified period and are required to be renewed from time to time.

3. **Indian Boiler Act, 1923**

The Indian Boilers Act, 1923 was enacted with the objective to provide mainly for the safety of life and property of persons from the danger of explosions of steam boilers and for achieving uniformity in registration and inspection during operation and maintenance of boilers in India. "Steam Boiler" means any closed vessel exceeding 22.75 litres which is used exclusively for generating steam under pressure and includes any mountings and other fittings attached to such vessel which is wholly or partly under pressure when steam is shut off. Every boiler owner is required to make an application to the Chief Inspector of Boilers for the inspection of the boiler along with the treasury challan of the requisite fees as per requirements of Indian Boilers Act, 1923.

4. **Standard of Weights and Measures Act, 1976**

The Standard of Weights and Measures Act, 1976 was enacted to establish standards of weights and measures, to regulate inter-state trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number, and to provide for matters connected therewith or incidental thereto. Under the provisions of this Act, Central Government has enacted The Standards of Weights and Measures (Packaged Commodities) Rules, 1977. The said rules prescribe norms for packaging of the commodities meant for retail sales, declaration to be made on all the packages, manner of declarations as quantity of the products in the packages, name and address of the manufacturer, etc.

5. **Permission for operation of DG Sets under The Indian Electricity Rules, 1956**

Under the Indian Electricity Rules, 1956, an approval has to be taken for installing D.G. sets above 10 KW.12.5 KVA.

6. **Import Export Certificate**

Import Export Code (“IEC”) Certificate is issued by the Director General of Foreign Trade registering an individual, firm, organization, entity, etc to act as an exporter or importer. An IEC once issued is permanent in nature till the same is surrendered by the IEC holder or cancelled by the Licensing Authority upon any default made by the IEC holder.

7. **Registration State Shops and Establishment Act**

The respective State Governments have the power to make laws on the subject matter. In exercise of these powers, various State Governments have enacted the shops and establishments Act which is applicable to the shops and commercial establishments within the respective states as may be specified by the Government.

Each state has its own legislation on shops and establishments which lays down *inter alia*, guidelines for regulating the hours of work, payment of wages, leave holidays, terms of service, overtime and other conditions of work of persons employed in shops, commercial establishments etc. and to discourage the malpractices by employers towards their employees.

Shops or/and establishment are required to be compulsorily registered under such state acts.

8. **Central Excise Act, 1944**

According to of Rule 9 of the Central Excise Rules, 2002 (**‘Excise Rules’**) under Central Excise Act, 1944, every unit which manufactures excisable goods, shall get itself registered with the appropriate authorities in the prescribed manner.

9. **Registration under Sales Tax Laws / Value Added Tax**

Value Added Tax:

Every State/Union Territory in India has its own Value Added Tax (**‘VAT’**) Act. The taxable event which attracts the levy of VAT is the sale of goods within a particular State by a dealer.

Registration under the VAT Act is of two types – mandatory and voluntary. Mandatory registration is required when the turnover of the dealer exceeds the threshold limit prescribed in the particular VAT Act of the concerned State.

The other type of registration which is envisaged is voluntary registration. In such a situation, the dealer can get himself registered at any time under the provisions of the VAT Act irrespective of its turnover.

Central Sales Tax:

As stated above, VAT is chargeable when a local sale is effected by a dealer. However, in cases where the dealer effects an inter-state sale i.e. a sale where the movement of goods commences in one State and delivery of the goods is made in another State, the dealer effecting such sale is required to charge Central Sales Tax (**‘CST’**) on the price of the goods being sold.

Registration under the CST Act is required in case an inter-State sale (even one sale is enough to attract the provisions of CST) is effected by a dealer irrespective of the price at which the same is effected.

10. **State Tax on Professions, Trade, Callings and Employment**

Profession tax is levied on every person engaged in any profession, trade, calling or employment and falling under the category described in the Schedule to the Act, and is payable to the State Government at the rate prescribed from time to time. Profession tax is payable by a company. It is also payable by an employee; however, such a payment is deducted by the employer from the salary of the employee and is paid to the Government.

11. Service Tax

Service Tax was introduced in India in 1994 by Chapter V of the Finance Act, 1994. The Central Board of Excise & Customs, Department (“CEBC”) of Revenue, Ministry of Finance, deals with the task of formulation of policy concerning levy and collection of Service Tax. Only those services which have been expressly made taxable under the provisions of the Finance Act, 1994 are charged to service tax. The liability of paying service tax to the government rests upon the service provider, but being an indirect tax, the service provider is allowed to recover the same from the recipient of the taxable service.

12. Income Tax Act, 1961

The Company is required to obtain the PAN and TAN as per the requirement of the Income Tax Act, 1961.

Permanent Account Number (“PAN”) is a ten-digit alphanumeric number issued by the Income Tax Department, Government of India. All assesses or taxpayers or persons who are required to furnish a return of income, must obtain PAN. It is mandatory to quote PAN on return of income.

TAN or Tax Deduction and Collection Account Number is a 10 digit alphanumeric number required to be obtained by all persons who are responsible for deducting or collecting tax. It is compulsory to quote TAN in withholding tax return, payment challans and withholding tax certificates.

13. Other employee welfare related acts:

- Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
- Registration under the Employees’ State Insurance Act, 1948
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as “Prime Chemfert Industries Private Limited” on February 13, 1986 under the Companies Act, 1956 with the Registrar of Companies NCT Delhi & Haryana at New Delhi. Subsequently our Company was converted into a public limited company on October 28, 1991. The name of our Company was further changed to “PCI Limited” on September 29, 1995. Pursuant to the Scheme of amalgamation approved by the Hon’ble High Court of Delhi vide its order dated December 15, 1998, Brecko Precision Engineering Private Limited was merged into PCI Limited w.e.f. April 01, 1996, being the appointed date for the amalgamation. The order of High Court was registered with the Registrar of Companies on March 30, 1999. As a result of amalgamation with Brecko Precision Engineering Private Limited, 4,320,000 equity shares were allotted by the Company to the members of Brecko Precision Engineering Private Limited in the ratio of 36 equity shares of face value Rs. 10 each of the Company against every 10 equity shares of face value Rs. 10 each held in Brecko Precision Engineering Private Limited. 75,000 equity shares held by Brecko Precision Engineering Private Limited in our Company were cancelled pursuant to the Scheme of Amalgamation.

On incorporation, the registered office of our Company was situated at 19, Rajendra Park, New Delhi - 110 060. Our registered office was shifted to Prime Group Building, 11/5B, Pusa Road, New Delhi - 110 005 w.e.f. September 05, 2008 for the purpose of achieving operational efficiency in the working of the Company.

Key Events and Mile Stones

| Year | Events |
|------|--|
| 1986 | Incorporation of Company and commencement of operations |
| 1988 | Agreement with M/s. Robotron Germany for technical collaboration for manufacture/marketing/sale of cable fault locating systems in india and for after sales support. Later M/s. Robotron merged with M/s. Hagenuk, Germany and then with M/s. Seba, Germany. |
| 1989 | First order from Surat Electric Supply Company followed by Delhi Electric Supply Undertaking (DESU) for supply of van mounted cable fault locating system. |
| 1994 | Agreement with M/s. Piller GmbH Germany in the field of special range of UPS systems in india. it was initial stages of introduction of dynamic range of ups systems in india having applications in wide range of industries especially in heavy load applications. |
| | First project based order from Kerela State Electricity Board for supply, erection, testing and commissioning of testing and measuring equipment. |
| 1997 | Agreement with M/s. Aros s.r.l. Italy for marketing and sale of static range of UPS system in India, Nepal, Bhutan and Bangladesh. |
| 1998 | Agreement with M/s. Lindsey Manufacturing Company, USA in the field of emergency restoration systems (ERS) in India. The company also bagged an large export order for ERS from M/s. Powergrid Company of Bangladesh Limited. |
| 1999 | Agreement with M/s. FLIR Systems, USA for marketing / sale and installation / commissioning of thermal imaging systems. |
| 2001 | First major project based order for supply of UPS systems from M/s. Power Grid Corporation of India Limited (PGCIL). |
| 2002 | Agreement with GE Energy for marketing / sale of sophisticated power condition monitoring equipments in India. |
| 2004 | Awarded GE sales channel recognition award 2004 for outstanding overall performance in Africa, India and Middle East (AIM) region by GE Energy, Canada. |
| 2005 | Awarded GE sales channel recognition award 2005 for outstanding overall performance in Africa, India and Middle East (AIM) region by GE Energy, Canada. |
| 2005 | Commission of new factory at Manesar, Gurgaon . |
| 2007 | Award of project by Central Organisation for Modernisation of Workshop (COFMOW) |

| Year | Events |
|------|--|
| | under Ministry of Railways, India for setting up of coil spring manufacturing plant at Gwalior, in association with M/s. Bumar, Poland. |
| 2008 | Supply of UPS systems (auxilliary power supply) to Chandrayan Project of ISRO. |
| 2008 | Incorporation of 3 subsidiaries including two marketing arms in Germany and Hong Kong to provide logistics support to the international business of our Company. M/s. Prime Electric Limited has been incorporated to establish a state of the art extra high voltage (EHV) tranformer manufacturing facility at SEZ in Nellore district of Andhra Pradesh. |
| 2009 | Agreement with M/s Diamond Aircraft Industries, Austria for sale of aircrafts. |

Our Main Objects

The main object of our Company as set forth in the Memorandum of Association of the Company are as follows:

- To carry on business of manufacturers, buyers, sellers, importers, exporters, contractors, handling, clearing and forwarding agents, consultants, agents, stockists, suppliers, distributors, users, wholesalers, retailers, repairers and workers in:-
 - All types of sulphoric acid super phosphates including single-super phosphate powder or granule, NPK mixture in powder or granule and all other types of fertilizers;
 - All types of chemicals, chemical products, petro-chemicals, materials and substances including compounds whether organic or in-organic of all types and description;
 - Fertilizer and agricultural inputs of all types and description whether having use in agricultural alone or other multifarious uses;
- To buy, sell, import, export, trade in and deal in chemicals, petro-chemicals, fertilizers and others referred to in paragraph 1.
- To manufacture assemble, buy, sell, import, export, service, and otherwise deal in all types of electronic and electrical instruments, components and systems for testing, measuring, protection equipment, cable fault location, equipment / instruments for electrical safety, thermography, partial discharge detection and PCB assembly and testing machines for use in energy and power sector, telecommunication, electronic production industry or for any other industrial or non industrial use as well as for contract manufacturing.
- To manufacture, assemble, buy, sell, import, export, service and otherwise deal in special purpose vehicles fitted with high-tech mechanisms and electronic and electrical systems including cable fault locating vans and water treatment plants.
- To establish, develop, maintain, organize, undertake, manage, operate, conduct and to run in India or abroad computer software development centres, computer training centers, data processing centres, computer coaching classes, computer consultancy business software consultancy and other allied activities for all types of services relating to computer, sale or purchase of software and hardware, its maintenance, repairs, programmes and operations, for industrial, commercial, domestic, public utility, defence, Government, and other general customers.
- To manufacture, fabricate, assemble, import, export and deal in precision Engineering components, tools, dies, jigs and fixtures, assembles, sub-assemblies used in any kind of engineering products, automobile parts for motor cars, motor trucks, buses, tractors, vans, jeeps, lorries, motor launches, motor cycles, cycles, vehicles and conveyance of all kinds, and agricultural implements of all kinds and descriptions.
- To carry on the business of manufacture of light, medium and heavy engineering goods and equipments sheet in metal work, forgings and castings of all types and descriptions.
- To buy, sell, manufacture, fabricate, assemble, import, export, and deal in Orthotic & Prosthetic Components / Fittments / Systems / Prostheses / Devices and other equipment / tools / instruments for medical use.
- To build, own, manage, operate, acquire, rehabilitate and maintain coal, lignite, gas, oil, diesel, petroleum, hydrocarbons, hydel, solar, wind, geothermal and / or any other source energy based power generating stations and ancillary facilities of every kind and description, co-ordinate theie operations and maintenance with other organizations, and generate, sell, distribute and purchase power, ensure safe, efficient and proper evacuation of power generated at such power stations and

- to provide associated transmission facilities required for the purpose or otherwise on commercial basis.
- (b) To plan, promote and develop and integrated, and efficient power distribution system network in all its aspects, including planning, investigation, research design and engineering, construction, operation and maintenance of power stations, transmission lines, sub-stations, load dispatch stations and communication facilities and appurtenant works directly or in co-ordination with the Electricity Boards and / or generating companies.
 - (c) To acquire concessions, facilities or licenses form electricity boards, government, semi-government or local authorities for generation, distribution, production, transmission or use of electric power and to take over alongwith all movable and immovable properties, the existing facilities on mutual agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of foregoing object.

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

Changes in the Memorandum of Association since incorporation:

| Date | Amendments |
|--------------------|---|
| February 17, 1990 | Increase of Authorised Share Capital from Rs. 1,500,000 to Rs. 2,500,000 |
| October 28, 1991 | Our Company was converted into public limited company |
| February 17, 1995 | Increase of Authorised Share Capital from Rs. 2,500,000 to Rs. 10,000,000 |
| September 29, 1995 | The name of our Company was changed from Prime Chemfert Industries Limited to PCI Limited |
| March 08, 1996 | Increase of Authorised Share Capital from Rs. 10,000,000 to Rs. 50,000,000 |
| December 16, 1996 | Alteration of Main Objects of the Company by addition of new objects |
| March 16, 1998 | Increase of Authorised Share Capital from Rs. 50,000,000 to Rs. 100,000,000 |
| February 09, 2004 | Alteration of Main Objects of the Company by addition of new objects |
| January 25, 2007 | Increase of Authorised Share Capital from Rs. 100,000,000 to Rs. 200,000,000 |
| June 04, 2008 | Alteration of Main Objects of the Company by adding new activities |

Our Subsidiaries

1. Prime Electric Limited

| | |
|--------------------------|---|
| Date of Incorporation | September 09, 2008 |
| Commencement of Business | October 31, 2008 |
| CIN | U31908DL2008PLC183082 |
| Registered Office | Prime Group Building, 11/5B, 3rd Floor, Pusa Road, New Delhi - 110 005 |
| Main object | To carry on the business of designing, developing, manufacturing, dealing, supplying and provision of services with regard to all kind of equipments capable of being used in connection with generation, distribution, supply, accumulation and employment / use of electricity and all kind of electrical, electronic mechanical related equipments, engineering systems and accessories. |

Board of Directors as on August 31, 2009

| | |
|-------------------------|-------------------|
| Mr. Rohan Mehta | Managing Director |
| Mr. Surinder Mehta | Director |
| Mr. Vijay Sarpal | Director |
| Mr. Murad Beniaminov | Director |
| Mr. Prem Lal Madan | Director |
| Mr. Umesh Chandra Misra | Director |

Shareholding Pattern as on August 31, 2009

| Name | No. of shares held | %age of Shareholding |
|---|---------------------------|-----------------------------|
| PCI Limited | 50,000 | 89.28 |
| Mr. Surinder Mehta | 1,000 | 1.79 |
| Mr. Rohan Mehta | 1,000 | 1.79 |
| Mrs. Archana Mehta | 1,000 | 1.79 |
| Mr. Vijay Sarpal | 1,000 | 1.79 |
| PCI Leasing and Finance Private Limited | 1,000 | 1.79 |
| Planet PCI Infotech Limited | 1,000 | 1.79 |
| Total | 56,000 | 100.00 |

Financial performance

The audited financial results of Prime Electric Limited for the financial year ended March 31, 2009 are set forth below.

(Rs. in millions)

| Particulars | March 31, 2009 |
|---|-----------------------|
| Total Income* | - |
| Profit after Tax* | - |
| Equity share capital | 0.56 |
| Share application money | 49.96 |
| Reserves & Surplus (net of miscellaneous expenditure) | (0.51) |
| Net Worth | 0.05 |
| Book Value per share of face value Rs. 10/- each (in Rs.) | 0.82 |
| Earning per share of face value Rs. 10/- each (in Rs.) | - |

Since the Company has not commenced any business operations, all expenses incurred upto March 31, 2009 have been debited to "Pre-operative expenditure pending for allocation" and the same has not been considered for calculation of book value per share.

2. PCI Asia Pacific Private Limited

| | |
|-----------------------|--|
| Date of Incorporation | October 02, 2008 |
| Registration Number | 1276980 |
| Registered Office | Unit 801, 8th Floor, Pacific House, 20 Queen's Road Central, Hong Kong |
| Main objects | Trading of Power Sector Goods |

Board of Directors as on March 31, 2009

| | |
|------------------|----------|
| Mr. Rohan Mehta | Director |
| Mr. Vijay Sarpal | Director |

PCI Asia Pacific Private Limited is a wholly owned subsidiary of our Company. Mr. Rohan Mehta and Mr. Vijay Sarpal are the Directors of the Company. Total outstanding capital of the Company is 10,000 HKD of face value 1 HKD each share.

Financial performance

The audited financial results of PCI Asia Pacific Private Limited for the financial year ended March 31, 2009 are set forth below.

(Rs. in millions)

| Particulars | March 31, 2009 |
|---|-----------------------|
| Total Income | 9.70 |
| Profit after Tax | 1.56 |
| Equity share capital | 0.07 |
| Reserves & Surplus (net of miscellaneous expenditure) | 1.56 |
| Net Worth | 1.63 |

| Particulars | March 31, 2009 |
|---|----------------|
| Book Value per share of face value HKD 1 each (total 10,000 shares outstanding) | 162.97 |
| Earning per share of face value HKD 1 each (total 10,000 shares outstanding) | 156.23 |

(at conversion rate of 1HKD = INR 6.7322 as on March 31, 2009. Source: www.oanda.com)

3. PCI Europe GmbH

| | |
|-----------------------|---|
| Date of Incorporation | June 10, 2008 |
| Registration Number | Under file number HRB 113916B on serial number 1 |
| Registered Office | Hoenower Strasse 79, 12623 Berlin |
| Main objects | Import and export of products especially capital equipments and complete range of machines and equipments related to various fields including energy, telecommunication, transport, oil and gas, agriculture, precision and heavy industry, electronics and medical sciences. |

PCI Europe GmbH is a wholly owned subsidiary of our Company incorporated with limited liability. Mr. Skole Rainer has been appointed as Manager of the Company. Total outstanding capital of the Company is 25,000 € of face value 25,000€ each share.

Financial performance

The audited financial results of PCI Europe GmbH for the financial year ended March 31, 2009 are set forth below.

| (Rs. in millions) | |
|---|----------------|
| Particulars | March 31, 2009 |
| Total Income | 89.67 |
| Profit after Tax | 6.82 |
| Equity share capital | 1.72 |
| Reserves & Surplus (net of miscellaneous expenditure) | 6.82 |
| Net Worth | 8.55 |
| Book Value per share of face value 25,000€ each (total 1 share outstanding) | 8,546,681.28 |
| Earning per share of face value 25,000€ each (total 1 share outstanding) | 6,823,938.78 |

(at conversion rate of 1€ = INR 68.9097 as on March 31, 2009. Source: www.oanda.com)

Shareholders Agreement

We have not entered into any shareholders agreement

OTHER AGREEMENTS

Non Compete Agreement

We have not entered into any non compete agreement.

Joint Venture

As on the date of filing of this Draft Red Herring Prospectus, we do not have any Joint Ventures except agreement entered into with Keliburg Holdings Limited, Cyprus for investment into Prime Electric Limited. The ratio of the equity contribution by the parties to the agreement is as under:

3. PCI Limited, our Promoters and Associates: 70% of the equity contribution
4. Keliburg Holdings Limited: 30% of the equity contribution.

Keliburg Holdings Limited is 100% owned by Themida Consulting Limited, Kimonos 43A, P.C. 3095, Limassol, Cyprus.

Any additional investment required by Prime Electric Limited will be made preferably from internal accruals and alternatively from private equity sources or from any other such source which may be considered in the best interest of the Company by mutual consent of the parties to the agreement. Where

additional investment is being made by the existing promoters of Prime Electric Limited, the same shall be in the proportion as mentioned above.

In the event any of the promoter of Prime Electric Limited is desirous of disinvestment of their holdings in the Company at any stage, the other party will have the “first right to refusal” at the prevailing market / marketable prices.

Strategic Partners

As on the date of filing of this Draft Red Herring Prospectus, we do not have any Strategic Partners.

Financial Partners

As on the date of filing this Draft Red Herring Prospectus, we do not have any other financial partners.

OUR MANAGEMENT

Our Company functions under the control of Board of Directors. The day-to-day affairs of the company are looked after by qualified key personnel under the supervision of Mr. Surinder Mehta, Chairman and Managing Director. Presently we have 8 Directors on our Board. The constitution of our Board is as under:

| Sr. No. | Name, Designation, Father's Name, Address, occupation | Nationality | Age (Years) | Date of appointment | Other Directorships/partnership in other entities |
|---------|--|-------------|-------------|---|--|
| 1. | Mr. Surinder Mehta Chairman & Managing Director S/o Mr. B. L. Mehta 180, W-6-L Western Avenue Sanik Farm, Delhi - 110 062 Term: 01/10/2008 - 30/09/2013 DIN: 00010122 | Indian | 53 | 13/02/1986 Re-appointed as Managing Director w.e.f. 01/10/2008 | 1 Prime Electric Limited 2. Planet PCI Infotech Limited 3. Prime Hitech Private Limited 4. PCI Leasing & Finance Private Limited 5. Endolite India Limited 6. Prime Power Corporation Limited 7. Prime Courier India Private Limited |
| 2. | Mrs. Archana Mehta Whole Time Director W/o Mr. Surinder Mehta 180, W-6-L Western Avenue Sanik Farm, Delhi - 110 062 Term: Liable to retire by rotation DIN: 00010468 | Indian | 50 | 02/05/1988 | 1. Planet PCI Infotech Limited 2. Prime Hitech Private Limited 3. PCI Leasing & Finance Private Limited 4. Prime Courier India Private Limited 5. Prudent Manfin Consultants Private Limited 6. Elaska Exim Private Limited |
| 3. | Mr. Rohan Mehta Whole Time Director S/o Mr. Surinder Mehta 180, W-6-L Western Avenue Sanik Farm, Delhi - 110 062 Term: 01/10/2008 - 30/09/2013 DIN: 01510489 | Indian | 23 | Appointed as Whole Time Director w.e.f. 01/10/2008 | 1 Prime Electric Limited 2. Prime Hitech Private Limited 3. PCI Leasing & Finance Private Limited 4. PCI Asia Pacific Private Limited 5. Prudent Manfin Consultant Private Limited 6. Elaska Exim Private Limited |
| 4. | Mr. Vijay Sarpal Whole Time Director S/o Late Mr. Kundan Lal Sarpal 6A / 9, W.E.A. Karol Bagh, New Delhi - 110 005 Occupation: Business Term: 01/10/2008 - 30/09/2013 DIN: 00010455 | Indian | 54 | 01/04/2005 Re-appointed as Whole Time Director w.e.f. 01/10/2008 | 1. Prime Electric Limited 2. Planet PCI Infotech Limited 3. Endolite India Limited 4. Prime Hitech Private Limited 5. Elaska Exim Private Limited 6. PCI Asia Pacific Private Limited 7. Star Marcon Private Limited |
| 5. | Mr. Chandra Prakash Jain Independent Director S/o Mr. Nemi Chand Jain 396 - C, Sheikh Sarai, Phase - 1 New Delhi - 110 017 Term: Liable to retire by rotation DIN: 00011964 | Indian | 63 | 11/12/2008 | 1. Reliance Capital Limited 2. IL & FS Infrastructure Development Corporation Limited. 3. Centre for Fly Ash Research and Management (a Section 25 Company) |
| 6. | Mr. Inder Pal Singh Independent Director S/o Dr. Harbhajan Singh 25, Rajendra Park, New Delhi - 110 060 Term: Liable to retire by rotation DIN: 00023333 | Indian | 67 | 01/08/2002 | 1. Endolite India Limited |

| Sr. No. | Name, Designation, Father's Name, Address, occupation | Nationality | Age (Years) | Date of appointment | Other Directorships/partnership in other entities |
|---------|--|-------------|-------------|---------------------|---|
| 7. | Dr. Kamalaksha Uggappa Mada Independent Director S/o Mr. Derebail Uggappa Mada 24, New Silverhome, 15, Kantwadi Road, Bandra West , Mumbai - 400 050 Term: Liable to retire by rotation DIN: 00011395 | Indian | 75 | 03/11/2005 | 1. Lupin Limited 2. Hotel Leelaventure Limited 3. Tamilnadu Petroproducts Limited |
| 8. | Mr. Ramesh Chandra Sharma Independent Director S/o Late Mr. Guran Diwaya Sharma N - 1 , Green Park Extension, New Delhi - 110 016 Term: Liable to retire by rotation DIN: 00023274 | Indian | 70 | 28/06/2004 | 1. Sir Shadi Lal Enterprise Limited 2. H.B. Portfolio Limited 3. CHL Limited 4. Indec Securities & Finance Limited 5. SIS Limited |

Brief Profile of Directors

Mr. Surinder Mehta

Mr. Surinder Mehta, aged 53 years is B.Com (Hons.) from Shri Ram College of Commerce, Delhi University. He has over 31 years of experience including 23 years in the power equipment industry. After having spent his initial few years in the business of steel, Cement and Refractories, he promoted Prime Chemfert Industries Private Limited in the year 1986, later name changed to PCI Ltd. Since inception, he has been the driving force for the Company and the Prime Group as a whole and has been instrumental in the evolution and growth of our Company to its present level and status. He is responsible for the overall management and supervision of the business of our Company and for the development of strategies for our future growth. He is also the founder President of International Society for Human Welfare and Rehabilitation (ISHWAR), a registered charitable Non - Government Organisation providing high tech orthotic and prosthetic fitments to the physically challenged, as apart of the Corporate Social Responsibility (CSR) of the Prime Group since 1995.

He has been conferred with several awards including the coveted 'Padma Shri' by the Hon'ble President of India in the year 2009 for his services in the field of Technology Solutions, some of his other awards includes Distinguished Entrepreneurship Award by PHD Chamber of Commerce and Industry in 1998, Priyadarshani Award in 2006, Rajeev Gandhi Excellence Award, 'Kohinoor of India' award by 'Indian Economic Development and Research Association' in 2008, 'Udyog Ratna' Award by Institute of Economic Studies in 2007, Rattan Shiromani award among others.

Mrs. Archna Mehta

Mrs. Archna Mehta, aged 50 year, a graduate from Delhi University in English (Hon.), is one of the subscribers of Memorandum of Association of the M/s. PCI Limited. She has been actively associated with the Company since incorporation and has served the Company in various capacities over the last 23 years. The Company benefits from her long experience on administrative, personnel and infrastructure development issues.

Mr. Rohan Mehta

Mr. Rohan Mehta, aged 23 years is Bachelor in Engineering in Electronic Syatem Design from Oxford Brookes University, Oxford, UK. As Director Business Development, he is responsible for diversifying the group into EPC business and other Power and Energy projects. He is also overall responsible for technology development of various products and services offered by our Company. He has been actively involved in establishment of export oriented project for manufacture of EHV transformer in multi product Special Economic Zone at Naidupet in Andhra Pradesh through Prime Electric Limited, a Subsidiary of our Company.

Mr. Vijay Sarpal

Mr. Vijay Sarpal, aged 54 years is Graduate in Commerce. He has been associated with the Company since incorporation. Having served the Company for last over 23 years in the different capacities, he was first appointed on the Board of the Company in 2005 and later promoted as executive director in 2008. With his vast experience of Company management, he currently heads the overall Operations, Finance and Accounts in his present capacity as Executive Director.

Mr. Chandra Prakash Jain

Mr. Chandra Prakash Jain, aged 63 year is B.Com, LLB, a Fellow Chartered Accountant (FCA) and holds Advance Diploma in Management. He is former Chairman & Managing Director of NTPC Limited. He was also the Chairman of the Standing Conference of Public Enterprises (SCOPE) for the period 2003-05. He is acting as member of the Standing Technical Advisory Committee of the Reserve Bank of India, Audit Advisory Board of the Comptroller & Auditor General of India and the Power Committee of Confederation of Indian Industries, PHD Chamber of Commerce and India Energy Forum. Presently he is also an Independent Director on the Board of Reliance Capital Limited and ILFS Infrastructural Development Corporation Limited. Our Company immensely benefits from his vast experience and valuable advice on financial matters as well as on power sector related projects and services.

Mr. Inder Pal Singh

Mr. Inder Pal Singh, aged 67 years is MA (Maths) from Punjab University and MBA (Finance) from the University of Hawaii, Honolulu, USA. He retired as Dy. Comptroller & Auditor General of India. He has also served as President, Institute of Public Auditors of India, Director General (Defence Audit), Deputy Secretary-Ministry of Home Affairs, Under Secretary, Ministry of Defence, Head of Finance Department, Delhi University and Finance Controller of Delhi State Industrial Development Corporation. Presently he is acting as Consultant with Administrative Reforms Commission, Government of India. He is Chairman of the Audit Committee of our Board and provides his guidance on financial, Audit and managerial matters.

Dr. Kamalaksha Uggappa Mada

Dr. Kamalaksha Uggappa Mada, aged 75 years is MA (Economics) and has completed his PHD (Economics) on Organisational Problems in Economic Development: India from Bombay University. He also holds Certificate in Financial Management from Jammalal Bajaj Institute of Management Studies, Bombay University. He joined Reserve Bank of India in 1965 and later worked in various departments in Industrial Development Bank of India (IDBI) for 27 years including as Executive Director of IDBI for over 3 years. He has also acted as in-charge CMD of Industrial Reconstruction Bank of India. Presently he is also in the Board of Lupin Laboratories, Hotel Leeventure and Tamilnadu Petrochemicals Ltd. He guides and advise our Company on Banking & Finance matters and on Corporate Governance issues, policies and practices.

Mr. Ramesh Chandra Sharma

Mr. Ramesh Chandra Sharma, aged 70 years, is Master in Economics from the Punjab University. He was a member of Indian Police Service and has over 35 years of experience in various highly responsible and sensitive positions under Government of India. He has also handled many sensitive overseas assignments of Government of India. He has been associated with Foundation for Organisational Research and Education (FORE) and is present President of its Governing Body May 2008. Based on his vast experience, he gives advice on administrative, statutory and regulatory/governance affairs of the Company.

We confirm that except Mr. Surinder Mehta, Mrs. Archna Mehta and Mr. Rohan Mehta, none of the Director of our Company is related to each other. Mr. Surinder Mehta is spouse of Mrs. Archna Mehta and father of Mr. Rohan Mehta. We also confirm that:

- we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Director were selected as Director or member of Senior Management.
- the service contracts entered into with our Managing Director / Whole Time Director does not provide for any benefit upon termination of employment except the retirement benefits payable to them as Provident Fund, Superannuation and Gratuity as per the policies of our Company.

Borrowing powers

Our Company has passed the resolution in the extra ordinary general meeting of the members held on October 03, 2007 authorizing the Directors of the Company to borrow from time to time all such monies as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 1,000 million.

Remuneration of our Directors

1. Mr. Surinder Mehta

Mr. Surinder Mehta was re-appointed as Managing Director w.e.f. October 01, 2008 for a period of 5 years. His remuneration was revised in terms of the Companies Act and was increased to Rs. 4,800,000/- per annum, to be payable as follows for the whole of his term of appointment with effect from October 01, 2008.

Terms of the remuneration payable to him is as under:

1. Salary: Rs. 400,000/- per month in the first year and such sums as may be fixed by the Board of Directors or committees thereof in subsequent years plus perquisites and allowances viz. accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas electricity and water, furnishing and repair, medical reimbursement and medical insurance, club fees such other benefits as per rules of the Company and such commission on net profits as may be approved by the Board or committee thereof, on completion of each financial year after the date of appointment, subject to the condition the amount payable as salary, perquisite, commission or otherwise does not exceed such sum as prescribed in section I, Part II of Schedule XIII of the Companies Act, 1956 in case of adequacy of profits and section II, Part II of Schedule XIII in case of inadequacy thereof.
2. Perquisites: Following perquisites shall not form part of salary:
 - a. Provident Fund: Company's contribution to the Provident Fund shall be as per the Scheme of the Company
 - b. Pension Fund: Company's contribution to the pension fund shall be as per the Scheme of the Company
 - c. Gratuity: As per rules of the Company
 - d. Leave Encashment: Encashment of the leave at the end of the tenure
 - e. Car: Free use of Company's car with driver for company's business operations
 - f. Telephone: Free telephone facility at residence, personal long distance calls shall be billed by the Company.
 - g. Reimbursement of expenses: Reimbursement of expenses incurred for travelling, boarding and lodging for self, spouse and attendant during business trips in India and abroad
3. Tenure: 5 years w.e.f. October 01, 2008
4. General:
 - (i) The office of Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.
 - (ii) The terms and conditions set out for re-appointment and payment of remuneration herein may be altered and varied by the Board as it may from time to time, deem fit.

2. Mr. Rohan Mehta

Mr. Rohan Mehta was appointed as Whole Time Director w.e.f. October 01, 2008 for a period of 5 years. His remuneration was revised in terms of the Companies Act and was increased to Rs. 1,800,000/- per annum, to be payable as follows for the whole of his term of appointment with effect from October 01, 2008.

Terms of the remuneration payable to him is as under:

1. Salary: Rs. 150,000/- per month in the first year and such sums as may be fixed by the Board of Directors or committees thereof in subsequent years plus benefits as per rules of Company and such commission on net profits as may be approved by the Board or Committee thereof, on completion of each financial year after the date of appointment, subject to the condition the amount payable do not exceed such sum as prescribed in section I, Part II of Schedule XIII of the Companies Act, 1956 in case of adequacy of profits and section II, Part II of Schedule XIII in case of inadequacy thereof.
2. Perquisites: Following perquisites shall not form part of salary:
 - a. Provident Fund: Company's contribution to the Provident Fund shall be as per the Scheme of the Company
 - b. Pension Fund: Company's contribution to the pension fund shall be as per the Scheme of the Company
 - c. Gratuity: As per rules of the Company
 - d. Leave Encashment: Encashment of the leave at the end of the tenure
 - e. Car: Free use of Company's car with driver for company's business operations
 - f. Telephone: Free telephone facility at residence, personal long distance calls shall be billed by the Company.
 - g. Reimbursement of expenses: Reimbursement of expenses incurred for travelling, boarding and lodging for self, spouse and attendant during business trips in India and abroad
3. Tenure: 5 years w.e.f. October 01, 2008
4. General:
 - (i) The office of Whole Time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.
 - (ii) The terms and conditions set out for re-appointment and payment of remuneration herein may be altered and varied by the Board as it may from time to time, deem fit.

3. Mr. Vijay Sarpal

Mr. Vijay Sarpal was re-appointed as Whole Time Director w.e.f. October 01, 2008 for a period of 5 years. His remuneration was revised in terms of the Companies Act and was increased to Rs. 2,400,000/- per annum, to be payable as follows for the whole of his term of appointment with effect from October 01, 2008.

Terms of the remuneration payable to him is as under:

1. Salary: Rs. 200,000/- per month in the first year and such sums as may be fixed by the Board of Directors or committees thereof in subsequent years plus other benefits as per rules of Company and such commission on net profits as may be approved by the Board or Committee thereof, on completion of each financial year after the date of appointment, subject to the condition the amount payable do not exceed such sum as prescribed in section I, Part II of Schedule XIII of the Companies Act, 1956 in case of adequacy of profits and section II, Part II of Schedule XIII in case of inadequacy thereof.
2. Perquisites: Following perquisites shall not form part of salary:
 - a. Provident Fund: Company's contribution to the Provident Fund shall be as per the Scheme of the Company
 - b. Pension Fund: Company's contribution to the pension fund shall be as per the Scheme of the Company
 - c. Gratuity: As per rules of the Company
 - d. Leave Encashment: Encashment of the leave at the end of the tenure
 - e. Car: Free use of Company's car with driver for company's business operations
 - f. Telephone: Free telephone facility at residence, personal long distance calls shall be billed by the Company.
 - g. Reimbursement of expenses: Reimbursement of expenses incurred for travelling, boarding and lodging for self, spouse and attendant during business trips in India and abroad
3. Tenure: 5 years w.e.f. October 01, 2008
4. General:
 - (i) The office of Whole Time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

- (ii) The terms and conditions set out for re-appointment and payment of remuneration herein may be altered and varied by the Board as it may from time to time, deem fit.

Corporate Governance

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

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

1. Audit Committee

The Audit Committee was initially constituted by our Board in their meeting held on March 31, 2001 in accordance with the requirements of Section 292A of the Companies Act, 1956. The said Committee was last re-constituted by our Board in their meeting held on December 11, 2008 to comply with the requirements under Clause 49 of the Listing Agreement. The Audit Committee presently comprises of:

| Sr. No. | Name of Member | Designation | Remarks |
|---------|-----------------------------|-------------|------------------------------------|
| 1. | Mr. Inder Pal Singh | Chairman | Non-executive Independent Director |
| 2. | Mr. Ramesh Chandra Sharma | Member | Non-executive Independent Director |
| 3. | Dr. Kamalaksha Uggappa Mada | Member | Non-executive Independent Director |
| 4. | Mr. Chandra Prakash Jain | Member | Non-executive Independent Director |
| 5. | Mr. Rohan Mehta | Member | Executive Director |
| 6. | Mr. Vijay Sarpal | Member | Executive Director |

Mr. Prem Lal Madan, President - Finance & Corporate Affairs shall be the permanent invitee to all the meetings of Audit Committee. Our Company Secretary is the Secretary of the Committee.

The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the company's financial reporting and disclosure processes, internal controls, tax policies, compliances and legal requirements and associated matters.

The role of Audit Committee includes:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 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.
- 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 judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

2. Remuneration Committee

The Remuneration Committee was initially constituted by our Board in their meeting held on December 14, 2005. The said Committee was last re-constituted by our Board in their meeting held on December 11, 2008 to comply with the requirements under Clause 49 of the Listing Agreement. The Audit Committee presently comprises of:

| Sr. No. | Name of Member | Designation | Remarks |
|---------|-----------------------------|-------------|------------------------------------|
| 1. | Mr. Ramesh Chandra Sharma | Chairman | Non-executive Independent Director |
| 2. | Mr. Inder Pal Singh | Member | Non-executive Independent Director |
| 3. | Dr. Kamalaksha Uggappa Mada | Member | Non-executive Independent Director |
| 4. | Mr. Chandra Prakash Jain | Member | Non-executive Independent Director |
| 5. | Mr. Surinder Mehta | Member | Executive Director |

The role of the Remuneration Committee includes:

1. To review the remuneration of whole time /managing director, including annual increment and commissions, after reviewing their performance;
2. Review the remuneration policy followed by the Company, taking into consideration the performance of senior executives on certain parameters;
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

3. Corporate Governance and Investor Grievances Committee

The Corporate Governance and Investor Grievance Committee was constituted by our Board in their meeting held on December 11, 2008 to comply with the requirements under Clause 49 of the Listing Agreement. The Audit Committee presently comprises of:

| Sr. No. | Name of Member | Designation | Remarks |
|---------|-----------------------------|-------------|------------------------------------|
| 1. | Dr. Kamalaksha Uggappa Mada | Member | Non-executive Independent Director |
| 2. | Mr. Ramesh Chandra Sharma | Chairman | Non-executive Independent Director |
| 3. | Mr. Inder Pal Singh | Member | Non-executive Independent Director |
| 4. | Mr. Chandra Prakash Jain | Member | Non-executive Independent Director |
| 5. | Mr. Rohan Mehta | Member | Executive Director |

The role of Shareholders Grievances Redressal Committee includes:

1. To approve share transfers and transmissions.
2. To approve splitting of share certificates, consolidation of share certificates and related matters including issue of fresh share certificates in lieu of the split / consolidated certificates.
3. Issue of duplicate share certificates in lieu of lost, mutilated and destroyed certificates.
4. Matters relating to dematerialization of shares and securities.

5. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interests, non receipt of balance sheet etc in particular.

Interests of Directors

All of our directors may be deemed to be interested to the extent of fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and / or reimbursement of expenses, if any, payable to them and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our company.

The non promoter directors of our company can apply in the Issue and as such, may be regarded as interested in our Company to the extent of equity shares that may be subscribed by or allotted to them pursuant to the Issue. All the Directors may also be regarded as interested to the extent of Equity Shares already held by them or by the companies / firms / ventures promoted by them, if any, or equity shares that may be subscribed by or allotted to them pursuant to the Issue and dividend or other distributions payable to them in respect of the said Equity Shares. All directors may be deemed to be interested in the agreement / arrangements entered into or to be entered into by our company with any company in which they hold directorships or any partnership firms in which they are partners.

Except as stated above and in the section titled “Related Party Transactions” on page [●] of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Shareholding of our Directors

The shares held by Directors in our company as on the date of filing this Draft Red Herring Prospectus are as under:

| Name of Directors | Number of shares held | % of pre-issue capital |
|-----------------------------|-----------------------|------------------------|
| Mr. Surinder Mehta | 7,540,327 | 54.71 |
| Mrs. Archana Mehta | 2,216,872 | 16.08 |
| Mr. Rohan Mehta | 2,820,705 | 20.47 |
| Mr. Vijay Sarpal | 7,755 | 0.06 |
| Mr. Inder Pal Singh | - | - |
| Mr. Ramesh Chandra Sharma | - | - |
| Dr. Kamalaksha Uggappa Mada | - | - |
| Mr. Chandra Prakash Jain | - | - |

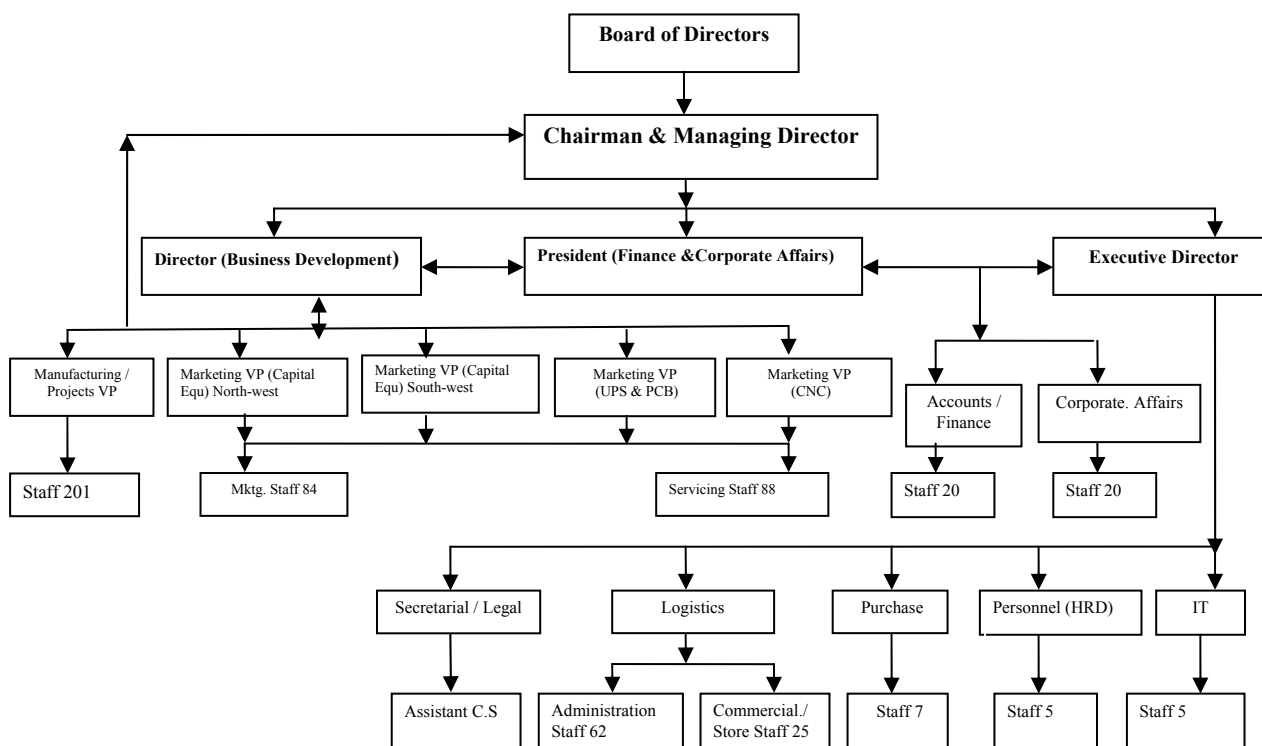
Changes in the Board of Directors in the last 3 years

Except the following, there has been no change in the Board of Directors of our Company during the last three years:

| Name of Director | Date of Appointment | Date of cessation | Reason for Change |
|--------------------------|---------------------|-------------------|------------------------|
| Mr. Chandra Prakash Jain | December 11, 2008 | - | To broadbase the Board |

Management Organization Structure

The Organization structure of the senior management is presented below:



Key Managerial Personnel

In addition to Mr. Surinder Mehta, Chairman & Managing Director, Mr. Rohan Mehta, Whole Time Director and Mr. Vijay Sarpal, Whole Time Director, whose details have been provided under brief profile of Directors on page [●] of this Draft Red Herring Prospectus, the following are Key Managerial Personnel of our Company. All our Key Managerial Personnel are permanent employees of our Company.

| Name | Designation | Age (Years) | Qualification | Total Exp. | Date of Joining | Previous Employment |
|-----------------------|---|-------------|--|------------|-------------------|------------------------------------|
| Mr. Prem Lal Madan | President (Finance & Corporate Affairs) | 63 | PG in Economics & Commerce, Certificate Associate of Indian Institute of Bankers | 39 years | November 01, 2008 | Punjab National Bank |
| Mr. Anshuman Bhardwaj | Executive VP (Marketing) | 41 | BE (Industrial Electronics) | 20 years | August 21, 1989 | NA |
| Mr. Vivek Saxena | Sr. Vice President (Marketing) | 40 | B.E. (Engineer) | 19 years | July 23, 1990 | NA |
| Mr. Anil Munjal | Sr. Vice President (Marketing) | 41 | Engineering in Electronics & Telecommunication | 21 years | December 09, 1991 | Bergen Electronics Private Limited |
| Mr. B D Roy | Sr. Vice President (Technical) | 59 | BE (Metallurgy), PG Diploma in Marketing & Sales Management | 36 years | April 02, 2002 | L&T Limited |
| Mr. H.G.S. Bedi | Vice President (Marketing) | 62 | PG Diploma in Marketing & Sales Management, Electrical Engineering Diploma | 35 years | January 03, 2000 | C TR Transformer Limited |

| Name | Designation | Age (Years) | Qualification | Total Exp. | Date of Joining | Previous Employment |
|---------------------------|---|-------------|---|------------|--------------------|------------------------------------|
| Mr. Pramod Kumar Raiazada | General Manager Head of Purchase Department | 62 | B.Tec (Mechanical), B.Sc. | 36 years | April 10, 2008 | Bharat Heavy Electricals Limited |
| Mr. Shailendra S Bais | Assistant General Manager (Marketing) | 33 | B.Sc., PGD in Sales & Marketing Management | 14 years | June 06, 2003 | ACS Limited |
| Mr. Nilesh Chintalwar | Assistant General Manager - Marketing | 38 | B.E. (Electronics) | 16 years | February 02, 1993 | NA |
| Mr. Nitin Satija | Asst. General Manager - Marketing North | 39 | B.E. (Industrial Electronics), Financial Management (Diploma) | 17 years | August 20, 1992 | NA |
| Mr. S S Makhija | Sr. DGM | 57 | Diploma in Tool Design, Mechanical Engineering | 26 years | March 09, 1983 | NA |
| Mr. Raghav Shukla | Company Secretary & Chief Manager - Legal | 39 | FCS, LLB | 12 years | August 20, 1998 | Prakash Capital Industries Limited |
| Mr. Anil Rishi Raj | Chief Accounts - Manager | 42 | B.Com | 16 years | March 17, 1994 | Jaipac India Limited |
| Mr. Shiv Sharma | Chief Manager (Administration) | 54 | Graduate | 33 years | September 01, 1997 | Republic of Naura, Central Pacific |
| Mr. Anil Sethi | Senior Manager (Accounts) | 43 | B.Com | 22 years | June 05, 2001 | South Eastern Roadways |
| Mr. Abhijeet Prakash | Senior Manager (HR) | 31 | PG Diploma in Business Management (HR) | 8 years | August 10, 2001 | NA |

Following are the Key Managerial Personnel of our Subsidiary, Prime Electric Limited

| Name | Designation | Age (Years) | Qualification | Total Exp. | Date of Joining | Previous Employment |
|---------------|------------------|-------------|-------------------------------|------------|-----------------|------------------------------|
| Mr. U C Misra | Director and CEO | 60 | B.E. (Electrical Engineering) | 37 | August 01, 2009 | Bhakra Beas Management Board |

Brief profile of Key Managerial Personnel of our Company is as follows:

Mr. Prem Lal Madan, President Finance and Corporate Affairs is a post graduate in Economics and Commerce from Delhi University and Certificate Associate of Indian Institute of Bankers (CAIIB), is having more than 39 years of experience in banking, both in field and administration. He is looking after financial matters of our Company. Prior joining to us, he was working as Chief General Manager (Operations) at the Head office, Punjab National Bank. His CTC is Rs. 2.32 millions per annum.

Mr. Anshuman Bhardwaj, B.E. (Industrial Electronics) is having 20 years of experience in overseeing operations involving conceptualization, setting up and strategic management of profit centre. He joined our Company as Sales Engineer and presently working as Executive Vice President (Marketing) and is responsible for managing complete business operations. His CTC is 4.22 millions per annum.

Mr. Vivek Saxena, B.E. Engineer from University of Pune is having more than 19 years of experience in analyzing business needs, overseeing operations involving conceptualization, setting up and strategic management of profit centre for our Power and Energy Division. He joined our Company as Sales Engineer and presently working as Senior Vice President (Marketing). He is also a member of American Society for Non Destructive Testing and is a visiting faculty at “Engineering Staff College of India”. His CTC is Rs. 4.22 millions per annum.

Mr. Anil Munjal, Engineering in Electronics & Telecommunication is having 21 years of experience in business analysis, exploring new markets, business process & strategy development etc. Prior joining to us, he has worked with Bergen Electronics Private Limited. He is presently working as Senior Vice President (Marketing) and is responsible for the Power Conditioning (UPC) Division of our Company. His CTC is Rs. 5.05 millions per annum.

Mr. B D Roy, BE (Metallurgy) and PG Diploma in Marketing & Sales Management is having 36 years of experience in the field of production of customized engineering items, power plant equipments and investment casting and as project in charge for power projects. Prior to joining our Company he was employed with L&T Limited and Bihar Alloy Steels Limited. He is associated with our Company as Sr. Vice President (Tech.) and is responsible for production and marketing of customized engineering products, power plant equipments, investment castings, valves, electronic instruments and artificial limbs. His CTC is Rs. 2.66 millions per annum.

Mr. H.G.S. Bedi, Post Graduate Diploma in Marketing & Sales Management and Electrical Engineering Diploma, is having 35 years of experience in sales & marketing, setting up of Business Operations and Management in the power industry. Prior to joining our Company, he has worked with CTR Transformer Limited, Meera & Company Limited, Voltamp Transformers Limited, K G Khosla Compressors Limited, Greaves Cotton & Company Limited and Voltas Limited. He joined us in January 2000 and is presently functioning as Vice President (Marketing) liaisoning with OEM’s and Industrial buyers, planning and organizing advertising and sales promotional strategies and design and implementation of promotional strategies for CNC Machine Tools. His CTC is Rs. 1.62 millions per annum.

Mr. Pramod Kumar Raizada, B. Tec. (Mechanical) from IIT Roorkee, BSc., is having 36 years of experience in the Power Sector. He is working as General Manager – Head of Purchase Department and is looking after the purchases / procurement of machines and materials for all divisions of our Company. Prior to joining us, he was working with Bharat Heavy Electrical Limited for 35 years as Head of Technology and Material Management. His CTC is Rs. 1.36 millions per annum.

Mr. Shailendra S Bais, Post Graduate Diploma in Sales & Marketing and B.Sc. from University of Mumbai, is having 14 years of experience in the industry. Presently he is employed as Asst. General Manager (Marketing) in the Power Conditioning Division of our Company. Prior to joining our Company, he was employed with ACS Private Limited and Perpetual Power Technologies Private Limited. His CTC is Rs. 2.16 millions per annum.

Mr. Nilesh Chintalwar, B.E. (Electronics) from Amravati University, is having 16 years of experience in marketing and business development. Presently he is working as Asst. General Manager (Marketing). He joined our Company in March 1993 and is responsible for marketing & business development of Testing & Measuring Instruments for Power, Petrochemical, PSUs and Government Undertakings and is heading Northern and Western India. His CTC is Rs. 1.45 millions per annum.

Mr. Nitin Satija, B.E. (Industrial Electronics) and diploma holder in financial management from National Institute of Education and Management, is having over 17 years of experience in strategic planning, market plan execution, account management and market analysis. He joined our Company in August 1992 and is presently functioning as Assistant General Manager (Marketing) - North. He is responsible for marketing of Power and engineering equipments. His CTC is Rs. 1.64 millions per annum.

Mr. S S Makhija, Diploma Hoders in Tool Design, Mechanical Engineering is having an experience of 26 years in the field of investment casting and precision engineering. He is associated with our Company since March 1983 and is working at Sr. DGM in our Manesar Factory. His CTC is Rs. 1.11 millions per annum.

Mr. Raghav Shukla, FCS, LLB from Delhi University, is having 12 years of experience in the field of Legal and Corporate Compliances and Corporate Taxation. Prior joining to us, he was working with Prakash Capital Services Limited. Presently is he working as Company Secretary and Chief Manager - Legal and is looking after the Legal & Secretarial Department, Contract Management and Indirect Taxation matters of our Company. His CTC is Rs. 1.01 millions per annum.

Mr. Anil Rishi Raj, B.Com from University of Delhi, is having 16 years of experience in the filed of finance and accounts. He is working with our Company for last 15 years and is presently looking after the Accounts Department and Direct Taxation as Chief Manager - Accounts. Prior to joining our Company, he was working with Jaipac India Limited. His CTC is Rs. 0.93 millions per annum.

Mr. Shiv Sharma, Graduate from the University of Delhi, is having 33 years of experience in the administration, purchase, facility management and infrastructure development. He joined our Company in September 1997 and is responsible for IT related matters, facility management, renovation activities etc for our Company. Prior to joining our Company, he was associated as Administrative Officer with as Department of Chief Secretary, Republic of Naura, Central Pacific and Office Executive (Admin) in Jawaharlala Nehru University. His CTC is Rs. 0.88 millions per annum.

Mr. Anil Sethi, B.Com in Commerce from Delhi University, is having 22 years of experience in the field of accounts, finance, costing and audit. He is working with our Company as Senior Manager (Accounts) and is associated with us for last 8 years. He is responsible for day to day accounts and finance activities. His CTC is Rs. 0.81 millions per annum.

Mr. Abhijeet Prakash, Post graduate diploma in Business Management (HR), is working as Senior Manager (HR) with our Company since July 2001. He has a total experience of 8 years with our company in Human Resource Department. He is responsible for entire gamut of HR and personnel activities of our Company. His CTC is Rs. 0.70 millions per annum.

Brief profile of Key Managerial Personnel of our Subsidiary, Prime Electric Limited is as follows:

Mr. U C Misra, B.E. (Electrical Engineering) is working as Director and CEO of our Subsidiary, Prime Electric Limited. He is having a total experience of 37 years to his credit and has worked with BBMB, Power Grid Corporation of India Limited, NHPC Limited and UP State Electricity Board. He is be responsible for overall implementation and running of our Greenfield power transformer manufacturing plant in our Subsidiary.

The service contracts entered into with our Key Management Personnel does not provide for any benefit upon termination of employment except the retirement benefits payable to them as Provident Fund, Superannuation and Gratuity as per the policies of our Company. Except the normal incentive scheme of the Company, there is no specific incentive sharing plan for the Key Managerial Personnel.

Changes in Key Management Personnel during the last three years

| Name | Designation | Date of Appointment | Date of Cessation |
|-------------------------|--|---------------------|-------------------|
| Cdr. Rakesh Khanna | GM (Corporate Affairs & Logistics) | March 5, 2007 | February 07, 2009 |
| Mr Vinod Kumar | Sr. DGM (Investment Casting) | March 19, 2008 | June 9, 2008 |
| Mr Pramod Kumar Raizada | GM (Purchase) | April 10, 2008 | NA |
| Mr Prem Lal Madan | President (Finance & Corporate. Affairs) | November 1, 2008 | NA |

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel is holding any shares in our Company.

Interest of Key Managerial Personnel

No key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Employee Stock Option Scheme / Employees Stock Purchase Scheme

We do not have any employees Stock Option Scheme / Employees Stock Purchase Scheme.

OUR PROMOTERS

The Promoters of our company are Mr. Surinder Mehta, Mrs. Archna Mehta and Mr. Rohan Mehta.

1. Mr. Surinder Mehta



| | |
|--------------|--|
| Passport No. | D-055327 valid upto August 06, 2017 |
| Voter ID | WMU1308246 issued on April 20, 2009 |
| PAN | AAMPM9227B |
| Bank a/c No. | 00261050006870 with HDFC Bank, 13 - B Pusa Road, Rajinder Nagar, New Delhi - 110 060 |

Mr. Surinder Mehta, aged 53 years is B.Com (Hons.) from Shri Ram College of Commerce, Delhi University. He has over 31 years of experience including 23 years in the power equipment industry. After having spent his initial few years in the business of steel, Cement and Refractories, he promoted Prime Chemfert Industries Private Limited in the year 1986, later name changed to PCI Ltd. Since inception, he has been the driving force for the Company and the Prime Group as a whole and has been instrumental in the evolution and growth of our Company to its present level and status. He is responsible for the overall management and supervision of the business of our Company and for the development of strategies for our future growth. He is also the founder President of International Society for Human Welfare and Rehabilitation (ISHWAR), a registered charitable Non - Government Organisation providing high tech orthotic and prosthetic fitments to the physically challenged, as apart of the Corporate Social Responsibility (CSR) of the Prime Group since 1995.

He has been conferred with several awards including the coveted 'Padma Shri' by the Hon'ble President of India in the year 2009 for his services in the field of Technology Solutions, some of his other awards includes Distinguished Entrepreneurship Award by PHD Chamber of Commerce and Industry in 1998, Priyadarshani Award in 2006, Rajeev Gandhi Excellence Award, 'Kohinoor of India' award by 'Indian Economic Development and Research Association' in 2008, 'Udyog Ratna' Award by Institute of Economic Studies in 2007, Rattan Shiromani award among others.

2. Mrs. Archna Mehta



| | |
|--------------|--|
| Passport No. | Z-1395859 valid upto December 18, 2012 |
| Voter ID | WMU1308253 issued on April 20, 2009 |
| PAN | AAGPM8851K |
| Bank a/c No. | 00261050006819 with HDFC Bank, 79 Old Rajinder Nagar, New Delhi - 110 060 |

Mrs. Archna Mehta, aged 50 year, a graduate from Delhi University in English (Hon.), is one of the subscribers of Memorandum of Association of the M/s. PCI Limited. She has been actively associated with the Company since incorporation and has served the Company in various capacities over the last 23 years. The Company benefits from her long experience on administrative, personnel and infrastructure development issues.

3. Mr. Rohan Mehta



| | |
|--------------|--|
| Passport No. | Z-1177303 valid upto January 21, 2018 |
| Voter ID | SMM1317932 issued on October 18, 2008 |
| PAN | AJOPM0531F |
| Bank a/c No. | 00261050040663 with HDFC Bank, 13 - B Pusa Road, Rajinder Nagar, New Delhi - 110 060 |

Mr. Rohan Mehta, aged 23 years is Bachelor in Engineering in Electronic Syatem Design from Oxford Brookes University, Oxford, UK. As Director Business Development, he is responsible for diversifying the group into EPC business and other Power and Energy projects. He is also overall responsible for technology development of various products and services offered by our Company. He has been actively involved in establishment of export oriented project for manufacture of EHV transformer in multi product Special Economic Zone at Naidupet in Andhra Pradesh through Prime Electric Limited, a Subsidiary of our Company.

Other confirmation

We confirm that the details of the permanent account numbers, passport and bank account numbers of our individual promoters has been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges. Further, our Promoters have confirmed that they have not been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Interest of Promoters

All the Promoters shall be deemed as interested to the extent of Equity Shares held by them or by the companies / firms / ventures promoted by them, if any, and dividend or other distributions payable to them in respect of the said Equity Shares. Except as stated above and in the section titled “Related Party Transactions” on page [●] of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, our Promoters do not have any other interest in our business.

Payment of benefits to our Promoters during the last two years

Except as stated in the chapter titled “Related Party Transactions” on page [●] of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Red Herring Prospectus.

Related party transactions

For details of related party transactions, see the chapter titled “Related Party Transactions” on page [●] of this Draft Red Herring Prospectus.

Litigation

For details regarding litigation involving our Promoters, see the chapter titled “Outstanding Litigation and Material Developments”, on page [●] of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

Given below is the list of entities promoted / owned by our Promoters which forms part of our Promoter Group and is collectively termed as “Prime Group”. All the Promoter Group Companies are unlisted and have not made any public issue in the preceding three years. None of the Promoter Group Company has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under winding up or liquidation. For details on litigations and disputes pending against the Promoter Group Entities please refer to the section titled “Outstanding Litigations and Material Developments” on page [●] of this Draft Red Herring Prospectus.

1. Endolite India Limited
2. PCI Leasing and Finance Private Limited
3. Planet PCI Infotech Limited
4. Prime Hi-Tech Private Limited
5. Prime Power Corporation Limited
6. Prime Courier India Private Limited
7. Elaska Exim Private Limited
8. Prudent Manfin Consultants Private Limited
9. Surinder Mehta HUF
10. International Society for Human Welfare And Rehabilitation (ISHWAR)

In addition to the entities named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(zb) of SEBI ICDR Regulations:

| Name of Person | Relationship |
|-----------------|----------------------------------|
| Mr. B. L. Mehta | : Father of Mr. Surinder Mehta |
| Ms. Uma Mehta | : Mother of Mr. Surinder Mehta |
| Ms. Sneha Mehta | : Daughter of Mr. Surinder Mehta |

Promoter Group Entities

1. Endolite India Limited

| | |
|--------------------------|--|
| Date of Incorporation | December 7, 1995 |
| Commencement of Business | January 18, 1996 |
| CIN | U74899DL1995PLC074425 |
| Registered Office | A - 4, Naraina Industrial Area, Phase - I, New Delhi - 110 028 |
| Main object | To manufacture, repair, maintain, fabricate, assemble or deal in all types of artificial limbs, eyes, legs, other parts of human body and prosthetic and orthotic appliances and to establish prosthetic and orthotic fitting centre and distribution centres. |

Board of Directors as on August 31, 2009

| | |
|---------------------------------|---------------------|
| Mr. Surinder Mehta | Director |
| Brig. Virendra Kumar Bajaj | Whole Time Director |
| Mr. Vijay Sarpal | Director |
| Mr. Inder Pal Singh | Director |
| Mr. Brian Stephen Blatchford | Director |
| Mr. John Jeffery Shorter | Director |
| Mr. Christopher David Greenwood | Director |
| Mr. Richard Priborsky | Director |

Shareholding Pattern as on August 31, 2009

| Name | No. of shares held | %age of Shareholding |
|-----------------------------|--------------------|----------------------|
| PCI Limited | 120,000 | 19.50 |
| PCI Leasing & Finance P Ltd | 20,100 | 3.27 |
| Prime Hitech Pvt Limited | 20,000 | 3.25 |
| Planet PCI Infotech Ltd | 50,000 | 8.12 |
| Mr. Surinder Mehta | 45,000 | 7.31 |
| Mrs. Archna Mehta | 10,054 | 1.63 |
| Mr. Surinder Mehta(Huf) | 17,927 | 2.91 |
| Mr. Rohan Mehta | 14,085 | 2.29 |
| Ms. Sneha Mehta | 10,000 | 1.62 |
| Mr. Vijay Sarpal | 600 | 0.10 |
| Chas .A. Blatchford & Sons | 307,766 | 50.00 |
| Total | 615,532 | 100.00 |

Financial performance

The audited financial results of Endolite India Limited for the financial years ended March 31, 2009, 2008 and 2007 are set forth below:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|---|----------------|----------------|----------------|
| Total Income | 113.98 | 97.67 | 66.49 |
| Profit after Tax | 2.40 | 2.12 | 0.74 |
| Equity share capital | 6.16 | 3.77 | 2.59 |
| Share application money | - | 0.78 | - |
| Reserves & Surplus (net of miscellaneous expenditure) | 9.34 | 6.95 | 4.83 |
| Net Worth | 15.50 | 11.50 | 7.42 |
| Book Value per share of face value Rs. 10/- each (in Rs.) | 25.18 | 28.45 | 28.62 |
| Earning per share of face value Rs. 10/- each (in Rs.) | 3.89 | 5.63 | 2.85 |

2. PCI Leasing and Finance Private Limited

| | |
|-----------------------|--|
| Date of Incorporation | December 03, 1986 |
| CIN | U74899DL1986PTC026247 |
| Registered Office | 19, Rajendra Park, New Delhi - 110 060 |
| Main objects | To carry on the business of investment, financing, hire purchase and leasing |

PCI Leasing and Finance Limited is registered with the Reserve Bank of India as a Non Banking Financial Company vide registration number B.14.01954.

Board of Directors as on August 31, 2009

| | |
|--------------------|----------|
| Mr. Surinder Mehta | Director |
| Mrs. Archna Mehta | Director |
| Mr. Rohan Mehta | Director |

Shareholding Pattern as on August 31, 2009

| Name | No. Of Shares Held | %Age Of Shareholding |
|----------------------------|--------------------|----------------------|
| PCI Limited | 30,000 | 7.72 |
| Prime Couriers (I) Pvt Ltd | 48,286 | 12.43 |
| Mr. Surinder Mehta | 172,250 | 44.34 |
| Mrs. Archna Mehta | 48,700 | 12.54 |
| Mr. Surinder Mehta(Huf) | 14,500 | 3.73 |

| | | |
|-----------------|----------------|---------------|
| Mr. Rohan Mehta | 50,000 | 12.87 |
| Ms. Sneha Mehta | 24,700 | 6.36 |
| Total | 388,436 | 100.00 |

Financial performance

The audited financial results of Prime Courier India Private Limited for the financial years ended March 31, 2009, 2008 and 2007 are set forth below:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|---|----------------|----------------|----------------|
| Total Income | 1.14 | 0.61 | 0.62 |
| Profit after Tax | 0.14 | 0.01 | 0.11 |
| Equity share capital | 3.88 | 3.88 | 3.88 |
| Share application money | 8.90 | 7.75 | 2.57 |
| Reserves & Surplus (net of miscellaneous expenditure) | 1.28 | 1.13 | 1.13 |
| Net Worth | 14.06 | 12.77 | 7.58 |
| Book Value per share of face value Rs. 10/- each (in Rs.) | 13.28 | 12.90 | 12.90 |
| Earning per share of face value Rs. 10/- each (in Rs.) | 0.37 | 0.02 | 0.28 |

3. Planet PCI Infotech Limited

| | |
|--------------------------|---|
| Date of Incorporation | October 14, 1999 |
| Commencement of Business | November 02, 1999 |
| CIN | U72100DL1999PLC101989 |
| Registered Office | Prime Group Building, 11/5-B, Pusa Road, New Delhi - 110 005 |
| Main object | To manufacture and deal in computer hardware and software and to carry on the business of information technology development, system integration and networking, information system audit and all activities relating to information technology and to deal in all kinds of computers, computer hardware, software, system designing, accessories and consumables of all kinds, nature and description. |

Board of Directors as on August 31, 2009

| | |
|--------------------|----------|
| Mr. Surinder Mehta | Director |
| Mrs. Archana Mehta | Director |
| Mr. Vijay Sarpal | Director |
| Mr. Vivek Saxena | Director |

Shareholding Pattern as on August 31, 2009

| Name | No. of shares held | % age of Shareholding |
|---------------------------------|--------------------|-----------------------|
| M/S PCI Limited | 105,100 | 19.12 |
| M/S PCI Leasing & Finance P Ltd | 137,600 | 25.04 |
| M/S Prime Hitech Pvt Limited | 4,000 | 0.73 |
| Mr. Surinder Mehta | 121,100 | 22.03 |
| Mrs. Archana Mehta | 36,100 | 6.57 |
| Mr. Surinder Mehta(Huf) | 40,000 | 7.28 |
| Mr. Rohan Mehta | 35,000 | 6.37 |
| Ms. Sneha Mehta | 21,600 | 3.93 |
| Mr. Vijay Sarpal | 3,100 | 0.56 |
| Mr. Anshuman Bhardwaj | 2,500 | 0.45 |
| Mr. Vivek Saxena | 2,500 | 0.45 |
| Mr. Anil Munjal | 2,500 | 0.45 |
| Mr. Chetan Sharma | 2,500 | 0.45 |
| Total | 549,600 | 100.00 |

Financial performance

The audited financial results of Planet PCI Infotech Limited for the years ended March 31, 2009, 2008 and 2007 are set forth below:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|--|----------------|----------------|----------------|
| Total Income | 20.20 | 16.48 | 14.06 |
| Profit after Tax | 0.42 | 0.66 | 0.61 |
| Equity share capital* | 2.80 | 2.50 | 0.55 |
| Share application money | - | - | 2.87 |
| Reserves & Surplus (net of miscellaneous expenditure) | 2.82 | 2.40 | 1.74 |
| Net Worth | 5.62 | 4.90 | 5.16 |
| Book Value per share of face value Rs. 10/- each (in Rs.)* | 20.10 | 19.61 | 41.62 |
| Earning per share of face value Rs. 10/- each (in Rs.)* | 1.52 | 2.63 | 11.07 |

* Total number of shares outstanding includes 30,000 partly paid up shares.

4. Prime Hi-Tech Private Limited

| | |
|-----------------------|--|
| Date of Incorporation | May 01, 1995 |
| CIN | U74899DL1995PTC068048 |
| Registered Office | 3, Rajendra Park, New Delhi - 110 060 |
| Main objects | To carry on the business of importers, exporters, dealers, indenters, traders, manufacturing, marketing, repairing, buying, selling and dealing in all kinds of electronic, electrical, ultrasonic and electromechanical equipments. |

Board of Directors as on August 31, 2009

| | |
|--------------------|----------|
| Mr. Surinder Mehta | Director |
| Mrs. Archana Mehta | Director |
| Mr. Rohan Mehta | Director |
| Mr. Vijay Sarpal | Director |

Shareholding Pattern as on August 31, 2009

| Name | No. of shares held | %age of Shareholding |
|---|--------------------|----------------------|
| Mr. Surinder Mehta | 37,200 | 64.92 |
| Mrs. Archana Mehta | 100 | 0.17 |
| Mr. Rohan Mehta | 10,000 | 17.45 |
| PCI Leasing and Finance Private Limited | 10,000 | 17.45 |
| Total | 57,300 | 100.00 |

Financial performance

The audited financial results of Prime Hi-Tech Private Limited for the years ended March 31, 2009, 2008 and 2007 are set forth below:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|---|----------------|----------------|----------------|
| Total Income | 0.08 | 0.06 | 0.54 |
| Profit after Tax | 0.01 | 0.01 | 0.08 |
| Equity share capital | 0.57 | 0.57 | 0.57 |
| Share application money | 2.60 | 2.10 | 2.05 |
| Reserves & Surplus (net of miscellaneous expenditure) | 0.94 | 0.93 | 0.93 |
| Net Worth | 4.11 | 3.61 | 3.55 |
| Book Value per share of face value Rs. 10/- each (in Rs.) | 26.35 | 26.30 | 26.24 |
| Earning per share of face value Rs. 10/- each (in Rs.) | 0.13 | 0.06 | 1.46 |

5. Prime Power Corporation Limited

| | |
|--------------------------|--|
| Date of Incorporation | June 27, 1996 |
| Commencement of Business | July 12, 1996 |
| CIN | U23201HR1996PLC033171 |
| Registered Office | Village Rampur Atta Tehsil Nuh, P S Sohna, Gurgaon, Haryana |
| Main objects | To build, own and manage power generation stations and ancilliary facilities of every kind, deal in power plant equipments and construction, operation and maintenance of power stations, transmission lines, sub stations, etc. |

Board of Directors as on August 31, 2009

| | |
|-----------------------|----------|
| Mr. Surinder Mehta | Director |
| Mr. Bansari Lal | Director |
| Mr. Indra Dev Narayan | Director |

Shareholding Pattern as on August 31, 2009

| Name | No. of shares held | %age of Shareholding |
|-----------------------------|--------------------|----------------------|
| PCI Limited | 100 | 0.18 |
| PCI Leasing & Finance P Ltd | 10,000 | 17.86 |
| Prime Hitech Pvt Limited | 10,000 | 17.86 |
| Mr. Surinder Mehta | 20,100 | 35.89 |
| Mrs. Archana Mehta | 400 | 0.71 |
| Mr. Surinder Mehta (Huf) | 10,000 | 17.86 |
| Mr. Rohan Mehta | 5,000 | 8.93 |
| Ms. Sneha Mehta | 200 | 0.36 |
| Mr. Vijay Sarpal | 100 | 0.18 |
| Mr. Banarsi Lal | 100 | 0.18 |
| Total | 56,000 | 100.00 |

Financial performance

The audited financial results of Prime Power Corporation Limited for the years ended March 31, 2009, 2008 and 2007 are set forth below:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|---|----------------|----------------|----------------|
| Total Income | - | - | - |
| Profit after Tax | - | - | - |
| Equity share capital | 0.56 | 0.56 | 0.56 |
| Share application money | 0.69 | 3.92 | 3.92 |
| Reserves & Surplus (net of miscellaneous expenditure) * | (0.18) | (0.18) | (0.18) |
| Net Worth | 1.10 | 4.30 | 4.30 |
| Book Value per share of face value Rs. 10/- each (in Rs.) | 6.78 | 6.78 | 6.78 |
| Earning per share of face value Rs. 10/- each (in Rs.) | - | - | - |

* Excludes pre-operative expenses.

6. Prime Couriers India Private Limited

| | |
|-----------------------|--|
| Date of Incorporation | June 22, 1988 |
| CIN | U74899DL1988PTC032182 |
| Registered Office | 19, Rajendra Park, New Delhi - 110 060 |

Main objects To carry on the business of courier service, cargo and freight agent, transport and shipment booking, travel agent and handling of inward and outward tourist activity.

Board of Directors as on August 31, 2009

Mr. Surinder Mehta Director
Mrs. Archna Mehta Director

Shareholding Pattern as on August 31, 2009

| Name | No. of shares held | %age of Shareholding |
|--------------------|--------------------|----------------------|
| Mr. Surinder Mehta | 22,715 | 36.18 |
| Mrs. Archna Mehta | 6,710 | 10.69 |
| Surinder Mehta HUF | 15,642 | 24.91 |
| Mr. Rohan Mehta | 9,500 | 15.13 |
| Ms. Sneha Mehta | 8,223 | 13.10 |
| Total | 62,790 | 100.00 |

Financial performance

The audited financial results of Prime Courier India Private Limited for the years ended March 31, 2009, 2008 and 2007 are set forth below:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|---|----------------|----------------|----------------|
| Total Income | - | - | 0.05 |
| Profit after Tax | (0.01) | (0.01) | 0.01 |
| Equity share capital | 0.63 | 0.63 | 0.63 |
| Share application money | 1.52 | 0.50 | 0.50 |
| Reserves & Surplus (net of miscellaneous expenditure) | (0.04) | (0.03) | (0.02) |
| Net Worth | 2.11 | 1.10 | 1.11 |
| Book Value per share of face value Rs. 10/- each (in Rs.) | 9.40 | 9.54 | 9.72 |
| Earning per share of face value Rs. 10/- each (in Rs.) | (0.18) | (0.18) | 0.11 |

7. Elaska Exim Private Limited

Date of Incorporation June 16, 1998
CIN U51109WB1998PTC087352
Registered Office Neelkanth Building, Flat 2B, 2nd floor, 26B, Camac street, Kolkata, West Bengal - 700 016
Main objects To carry on the business of food grains & beverages as producers /traders, providing plant & machineries and other materials for this business and owning / real estate properties for the above purposes.

Board of Directors as on August 31, 2009

Mrs. Archna Mehta Director
Mr. Rohan Mehta Director
Mr. Vijay Sarpal Director

Shareholding Pattern as on August 31, 2009

| Name | No. of shares held | %age of Shareholding |
|-------------------------|--------------------|----------------------|
| Mrs. Archna Mehta | 9,800 | 98.00 |
| Mr. Vijay Sarpal | 100 | 1.00 |
| Mr. Girish Kumar Sharma | 100 | 1.00 |
| Total | 10,000 | 100.00 |

Financial performance

The audited financial results of Elaska Exim Private Limited for the years ended March 31, 2009, 2008 and 2007 are set forth below:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|---|----------------|----------------|----------------|
| Total Income | 0.98 | 0.83 | 0.73 |
| Profit after Tax | 0.02 | 0.13 | 0.18 |
| Equity share capital | 0.10 | 0.10 | 0.10 |
| Share application money | 4.13 | 3.13 | 3.07 |
| Reserves & Surplus (net of miscellaneous expenditure) | 0.41 | 0.39 | 0.26 |
| Net Worth | 4.64 | 3.62 | 3.43 |
| Book Value per share of face value Rs. 10/- each (in Rs.) | 51.00 | 49.00 | 36.00 |
| Earning per share of face value Rs. 10/- each (in Rs.) | 1.59 | 13.00 | 18.00 |

8. Prudent Manfin Consultants Private Limited

Date of Incorporation May 02, 2001
CIN U74140DL2001PTC110668
Registered Office 19, Rajendra Park, New Delhi - 110 060
Main object To carry on the business of providing advisory, consultancy & training services in the field of marketing, advertisement, selling and distribution, technical, financial and project consultancy etc. for its clients in India and/or abroad

Board of Directors as on August 31, 2009

Mrs. Archana Mehta Director
Mr. Rohan Mehta Director
Ms. Sneha Mehta Director

Shareholding Pattern as on August 31, 2009

| Name | No. of shares held | %age of Shareholding |
|--------------------|--------------------|----------------------|
| Mrs. Archana Mehta | 9,500 | 95.00 |
| Mr. Rohan Mehta | 500 | 5.00 |
| Total | 10,000 | 100.00 |

Financial performance

The audited financial results of Prudent Manfin Consultants Private Limited for the years ended March 31, 2009, 2008 and 2007 are set forth below:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 |
|---|----------------|----------------|----------------|
| Total Income | 0.20 | - | 0.03 |
| Profit after Tax | 0.04 | (0.01) | (0.01) |
| Equity share capital | 0.10 | 0.10 | 0.10 |
| Share application money | 1.72 | 0.69 | 0.13 |
| Reserves & Surplus (net of miscellaneous expenditure) | (0.01) | (0.04) | (0.02) |
| Net Worth | 1.81 | 0.75 | 0.21 |
| Book Value per share of face value Rs. 10/- each (in Rs.) | 9.00 | 6.00 | 8.00 |
| Earning per share of face value Rs. 10/- each (in Rs.) | (0.67) | (1.86) | (0.83) |

9. Surinder Mehta, HUF

Date of Formation April 1, 1990
Correspondence Address 19, Rajendra Park, New Delhi - 110060
Main business The HUF is not carrying on any business.

10. International Society for Human Welfare And Rehabilitation (ISHWAR)

ISHWAR is a Charitable Non Government Organisation.

Managing Committee of Society

| | |
|--------------------------------|-------------------|
| Mr. Surinder Mehta | President |
| Mrs. Archana Mehta | Member |
| Mr. Inder Dev Narayan | Secretary |
| Mr. Vijay Sarpal | Treasurer |
| Mr. Brig. Virendra Kumar Bajaj | Vice President |
| Maj. R L Grover | General Secretary |
| Mr. Inder Pal Singh | Member |

ISHWAR has also set up “ISHWAR Prosthetic and Orthotic Institute” in March 2007, duly recognized by the Rehabilitation Council of India and the Indian Indian Chapter of International Society of Prosthetics and Orthotics.

Companies / Ventures with which the promoters have disassociated in the last three years

Our Promoters have not disassociated from any company / venture during the last three years.

Related party transactions

For details of related party transactions, see the chapter titled “Financial Statements” on page [●] of the Draft Red Herring Prospectus.

Companies / Ventures with which the promoters have disassociated in the last three years

Our Promoters have not disassociated from any company / venture during the last three years.

Related party transactions

For details of related party transactions, see the chapter titled “Financial Statements” on page [●] of the Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any 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 condition. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of the Company. No dividend on Equity Shares have been declared by the Company in the last five fiscal years.

The amounts not paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS

AUDITORS' REPORT

To
The Board of Directors,
PCI LTD.
 11/5B, Pusa road
 New Delhi-110005

Dear Sirs,

We have examined the attached financial information of **PCI LIMITED**, based on audited financial statements of the Company for the financial years ended on March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008 and March 31, 2009 as approved by the Board of Directors, proposed to be included in the Offer Document / Red Herring Prospectus proposed to be issued by the Company in connection with its proposed Public Issue of equity shares and prepared in accordance with:

- a) Terms of the Paragraph B(1), Part II of schedule II of the Companies Act, 1956;
- b) Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as amended to the date and issued by Securities and Exchange Board of India ("SEBI") in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and
- c) The terms of engagement reference dated 26th June, 2009 received from the Company, requesting us to carry out the work in connection with the offered document as aforesaid.

FINANCIAL INFORMATION AS PER AUDITED FINANCIAL STATEMENTS:

1. We have examined the attached 'Restated Statement of Assets and Liabilities' of the Company for the financial years ended on March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008 and 31 March 31, 2009 (**Annexure I**) and the attached 'Restated Statement of Profit & Losses' for the years ended on those dates (**Annexure II**) together, referred to as 'Summary Statements'. The summary statements have been extracted from the financial statements audited by us and approved by the Board of Directors and adopted by the Members for those respective years.

The summary statement have been arrived at after making such adjustments and re-grouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report. Based on our examination of these summary statements, we state that:

- The impacts of changes in accounting policies adopted by the Company as at 31st March, 2009 have been adjusted with retrospective effect in the attached summary statements except that the Company has not made any Provision for after sales services expenses as in the opinion of the management it is no longer required. The impact due to change in estimates has not been considered.
- The Summary Statements have to be read in conjunction with the notes given in Annexure-IV to this report.
- There are no qualifications in the auditor's report that require adjustments to the Summary Statements.
- The extra ordinary items that need to be disclosed separately in the summary statements have been appropriately disclosed.

2. The summary of significant accounting policies adopted by the Company pertaining to the financial statements as at March 31, 2009 are disclosed in Annexure IV.

OTHER FINANCIAL INFORMATION:

3. We have also examined the following other financial information annexed to this report, prepared by the management and approved by the Board of Directors, relating to the company for the years ended 31st March 2005, 31st March 2006, 31st March 2007, 31st March 2008 and 31st March 2009:

| S. No. | Annexures | Annexure No. |
|---------------|---|---------------------|
| 1. | Cash Flow Statements | Annexure III |
| 2. | Related Party Disclosures | Annexure V |
| 3. | Statement of Investments | Annexure VI |
| 4. | Sundry Debtors | Annexure VII |
| 5. | Loans and Advances | Annexure VIII |
| 6. | Secured Loan | Annexure IX |
| 7. | Unsecured Loans | Annexure X |
| 8. | Contingent Liabilities | Annexure XI |
| 9. | Statement showing details of other Income | Annexure XII |
| 10. | Summary of Accounting Ratios | Annexure XIII |
| 11. | Capitalization Statements | Annexure XIV |
| 12. | Gratuity Disclosures | Annexure XV |
| 13. | Computation of Deferred Tax Asset / Liability | Annexure XVI |
| 14. | Statement of Tax Shelter | Annexure XVII |
| 15. | Segment Information | Annexure XVIII |

4. In our opinion the 'financial information as per audited financial statements' and 'other financial information' as mentioned above read along with the Significant Accounting policies and Notes to Accounts prepared, after making adjustments and regrouping as considered appropriate, have been prepared in accordance with Part II of Schedule II of the Companies Act and the SEBI (Issue of Capital and Disclosure Regulations) Guidelines, 2000.
5. This report should not in any way be construed as a re-issuance or redrafting of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial information referred to herein.
6. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed offer document. Our report should not be used for any other purpose except with our consent in writing.

For Satish Aggarwal & Associates
Chartered Accountants

Satish Aggarwal
Partner
M. No. 082430

Place: New Delhi
Date: 22nd September, 2009

RESTATED STATEMENT OF ASSETS AND LIABILITIES

Annexure I
In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|---|---------------------------------|---------------|---------------|---------------|---------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| A. FIXED ASSETS | | | | | |
| Gross Block | 631.37 | 601.68 | 316.24 | 278.61 | 203.49 |
| Less : Depreciation | 141.14 | 82.16 | 67.11 | 49.83 | 39.93 |
| Net Block | 490.23 | 519.52 | 249.13 | 228.78 | 163.56 |
| Capital Work in Progress | 153.77 | 20.55 | - | - | 9.91 |
| Total Before Revaluation Reserve | 644.00 | 540.07 | 249.13 | 228.78 | 173.47 |
| Less: Revaluation Reserve | - | - | - | 19.11 | 19.13 |
| Net Block after Revaluation Reserve | 644.00 | 540.07 | 249.13 | 209.67 | 154.34 |
| B. INVESTMENTS | 5.32 | 2.07 | 1.12 | 1.12 | 1.12 |
| C. CURRENT ASSETS, LOAN & ADVANCES | | | | | |
| Inventories | 167.46 | 108.91 | 77.29 | 70.41 | 66.24 |
| Sundry Debtors | 489.90 | 437.08 | 297.92 | 215.33 | 163.30 |
| Cash and Bank Balances | 10.01 | 13.56 | 14.27 | 18.19 | 9.53 |
| Loan and Advances | 144.47 | 96.78 | 62.65 | 43.43 | 43.37 |
| Total | 811.84 | 656.33 | 452.13 | 347.36 | 282.44 |
| LIABILITIES & PROVISIONS | | | | | |
| D. Secured Loans | 719.35 | 579.59 | 257.52 | 179.67 | 111.58 |
| Unsecured Loans | 23.78 | 12.50 | - | - | 0.32 |
| Deferred Tax Liability | 63.04 | 36.14 | 2.94 | 2.58 | 2.43 |
| Current Liabilities | 334.93 | 264.88 | 189.20 | 128.09 | 110.47 |
| Provision for Tax | 6.12 | 11.79 | 5.99 | 5.99 | 1.56 |
| Other Provisions | 10.95 | 54.44 | 80.93 | 97.43 | 72.79 |
| Total | 1,158.17 | 959.34 | 536.58 | 413.76 | 299.15 |
| Net Worth (A+B+C-D) | 302.99 | 239.13 | 165.80 | 144.40 | 138.75 |
| REPRESENTED BY | | | | | |
| SHARE CAPITAL | | | | | |
| E. Equity Share Capital* | 137.83 | 137.83 | 137.83 | 58.65 | 58.65 |
| RESERVES AND SURPLUS | | | | | |
| F. Reserve & Surplus | 165.16 | 101.30 | 27.97 | 104.86 | 99.23 |
| Less: Revaluation Reserve | - | - | - | 19.11 | 19.14 |
| Net Reserve & Surplus | 165.16 | 101.30 | 27.97 | 85.75 | 80.10 |
| Net Worth (E+F) | 302.99 | 239.13 | 165.80 | 144.40 | 138.75 |

* The Share Capital Includes bonus shares issued on 31st March 2007 for Rs. 79.18 Millions.

Note:

Since the revaluation reserve has been capitalised in the financial year 2006-07, the company has not considered depreciation on revaluation amount for the purpose of Restated Financial Statement

RESTATED STATEMENT OF PROFIT & LOSS ACCOUNT

Annexure II
In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|---|---------------------------------|-----------------|---------------|---------------|---------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| A. INCOME | | | | | |
| Sales | | | | | |
| Gross Sales | 1,148.48 | 976.52 | 550.27 | 428.86 | 370.62 |
| Less: Excise Duty | 8.54 | 6.15 | 2.18 | 0.69 | - |
| Sales Return | - | - | - | 0.01 | - |
| Net Sales | 1,139.94 | 970.37 | 548.09 | 428.16 | 370.62 |
| Service Charges | 64.07 | 36.85 | 36.34 | 25.49 | 19.75 |
| Commission | 107.73 | 65.17 | 86.08 | 64.18 | 45.23 |
| Other Income | 69.66 | 92.27 | 102.27 | 40.76 | 30.37 |
| Total | 1,381.40 | 1,164.66 | 772.78 | 558.59 | 465.97 |
| B. EXPENDITURE | | | | | |
| Cost of Goods Sold | 748.52 | 532.88 | 393.97 | 276.27 | 230.88 |
| Job work & Bought out services | 8.59 | 5.70 | 5.01 | 1.21 | 1.25 |
| Power & Fuel | 6.90 | 9.69 | 4.82 | 0.95 | 0.44 |
| Employees' Cost | 159.13 | 123.96 | 87.03 | 61.03 | 44.93 |
| Administrative & Selling expenses | 213.18 | 261.03 | 141.13 | 115.39 | 94.24 |
| Assets Discarded | - | 3.29 | - | - | - |
| Provision for after sales service expenses | - | 46.41 | 75.61 | 59.92 | 60.68 |
| Total | 1,136.32 | 982.96 | 707.57 | 514.77 | 432.42 |
| Profit Before Depreciation, Interest & Tax (A-B) | 245.08 | 181.70 | 65.21 | 43.82 | 33.55 |
| Interest and Finance expenses | 80.20 | 41.95 | 35.14 | 19.95 | 17.36 |
| Profits Before Depreciation & Tax | 164.88 | 139.75 | 30.07 | 23.87 | 16.19 |
| Depreciation | 59.49 | 22.20 | 19.38 | 10.59 | 18.05 |
| Profits Before Tax | 105.39 | 117.55 | 10.69 | 13.28 | (1.86) |
| Less: | | | | | |
| Current Year's Tax | 11.30 | 10.18 | 5.20 | 4.20 | 2.82 |
| Deferred Tax Liability | 26.91 | 33.19 | 0.35 | 0.15 | (4.34) |
| Fringe Benefit Tax | 4.45 | 3.87 | 2.83 | 3.27 | - |
| Wealth Tax | 0.05 | 0.03 | 0.02 | 0.01 | - |
| Add | | | | | |
| MAT Credit | 1.18 | 3.05 | - | - | - |
| Profits After Tax | 63.86 | 73.33 | 2.29 | 5.65 | (0.34) |
| Balance brought forward from Previous Year | 101.29 | 27.97 | 104.86 | 99.22 | 99.57 |
| Less: Capitalisation of Reserves (Bonus Issue) | - | - | 79.18 | - | - |
| BALANCE CARRIED TO SUMMARY OF ASSETS & LIABILITIES | 165.16 | 101.29 | 27.97 | 104.86 | 99.23 |

Note:

Since the revaluation reserve has been capitalised in the financial year 2006-07, the company has not considered depreciation on revaluation amount for the purpose of Restated Financial Statement

STATEMENT OF CASH FLOWS, AS RESTATED

Annexure III

In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|--|---------------------------------|-----------------|----------------|----------------|----------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| A. Cash Flow from Operating Activities | | | | | |
| Profit before tax | 105.39 | 117.55 | 10.69 | 13.28 | (1.86) |
| Adjustment for: | | | | | |
| 1) Depreciation | 59.49 | 22.20 | 19.38 | 10.60 | 18.05 |
| 2) Increase/(Decrease) in provision for after sales service | (46.41) | (29.20) | (18.16) | 24.17 | 34.83 |
| 3) Dividend/Interest income | (0.32) | (0.06) | (0.01) | - | - |
| 4) Profit & Loss on sale of fixed assets | - | (0.06) | (0.20) | 0.11 | - |
| 5) Profit from Sale of Long Term Investment | (0.13) | - | - | - | - |
| 6) Amount transferred from Capital Reserve | - | - | - | (0.02) | (0.02) |
| 7) Loss on Discard of Fixed Assets | - | 3.29 | - | - | - |
| Operating Profit before working capital changes | 118.02 | 113.72 | 11.70 | 48.14 | 51.00 |
| 1) Increase in Sundry Debtors | (52.82) | (139.16) | (82.58) | (52.03) | (72.11) |
| 2) Increase in Inventories | (58.56) | (31.62) | (6.87) | (4.17) | (17.78) |
| 3) Increase in other current assets | (46.51) | (31.08) | (19.22) | (0.06) | 11.27 |
| 4) Increase in current liabilities | 123.00 | (63.20) | 80.04 | 49.11 | 59.26 |
| 5) Direct Taxes Paid | (21.47) | (8.28) | (8.06) | (3.06) | (2.95) |
| Net Cash from Operating activities (A) | 61.66 | (159.62) | (24.99) | 37.93 | 28.69 |
| B) Cash flow from Investing Activities | | | | | |
| 1) Purchase of Fixed Assets | (163.46) | (316.52) | (40.14) | (66.61) | (24.43) |
| 2) Proceeds from sale of fixed Assets | 0.04 | 0.16 | 0.60 | 0.59 | - |
| 3) Proceeds from sale of Long Term Investments | 0.18 | - | - | - | - |
| 4) Investment Made | (3.29) | (0.95) | - | - | (0.04) |
| 5) Dividend/Interest Income | 0.32 | 0.06 | 0.01 | - | - |
| Net Cash from Investing Activities (B) | (166.21) | (317.25) | (39.53) | (66.02) | (24.47) |
| C) Cash flow from Financing Activities | | | | | |
| 1) Proceeds from borrowings | 101.00 | 476.16 | 60.60 | 36.75 | (0.55) |
| Net cash used in Financing Activities (C) | 101.00 | 476.16 | 60.60 | 36.75 | (0.55) |
| Net increase in cash and cash equivalents [(A)+(B)+(C)] | (3.55) | (0.71) | (3.92) | 8.66 | 3.67 |
| Cash & Cash equivalent at beginning of the year | 13.56 | 14.27 | 18.19 | 9.53 | 5.86 |
| Cash & Cash equivalent at end of the year | 10.01 | 13.56 | 14.27 | 18.19 | 9.53 |

Notes :

1. Working capital Limits and Interest cost are considered as Operation Activities.

Annexure IV

NOTES TO SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AS RESTATED FOR PCI LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statement Accounting

The financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles.

2. Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual figures and estimates are recognized in the period in which they result / materialize.

3. Revenue Recognition

- i. Revenue from sale of own manufactured goods and trading goods is recognized at the time of transfer of significant risks and reward of ownership to the buyer.
- ii. Income from commission is accounted on the basis of confirmation of order procured on behalf of its principal and of maintenance contracts is accounted for on the basis of invoicing.
- iii. The Company has followed Accounting Standard-7 issued by the Institute of Chartered Accountants of India for recognizing income from construction contracts with reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs incurred are charged to the profit & loss account of the year.
- iv. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

4. Inventories are valued as under :-

- a) Raw materials components, stores and spares: Lower of cost or net realizable value.
- b) Work-in-progress: at cost.
- c) Finished goods: Lower of cost or net realizable value.
- d) Inventories have been valued in accordance with accounting standard on valuation of inventories (AS-2) issued by the Institute of Chartered Accountants of India.
- e) Inventory valued on above basis is certified by the management.

5. Investments:

Long-term investments are stated at cost, less provision for other than temporary diminution in value, if any. Current investments comprising investments in mutual funds are stated at the lower of cost and market value.

6. Depreciation/Amortization:

Depreciation on Building revalued and acquired on amalgamation has been charged according to Accounting Standard (AS 6) issued by the Institute of Chartered Accountants of India. Leasehold land is amortized over the period of 20 years of lease. Depreciation on all other fixed assets has been provided on written down value method at rates and in the manner specified in schedule XIV of the Companies Act, 1956.

7. Fixed Assets:

Fixed assets are stated at cost or at replacement cost in case of revaluation, less accumulated depreciation. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date.

8. Provisions, Contingent Liabilities, and Contingent Assets

During the year ended 31st March, 2009 the company has not made any provision for after sales services expenses as in the opinion of the management it is no longer required.

9. Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the exchange rates prevailing at the time of the transaction. Monetary items denominated in Foreign Exchange at the year-end are translated at year-end rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in profit and loss account.

10. Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and Lease rentals are charged to the Profit and Loss Account on accrual basis.

11. Impairment of assets

As required by Accounting Standard (AS) 28 'Impairment of Assets' notified by the Institute of Chartered Accountant of India, the Company has carried out the assessment of impairment of assets. There has been no impairment loss during the restated years.

12. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the costs of such assets. All other borrowing costs are charged to Profit and Loss Account in the period in which they are incurred.

13. Employees Benefits:**(i) Defined Contribution Plan**

The Company makes defined contribution of Provident Fund and Employee State Insurance Scheme, which are recognized in the Profit and Loss Account on accrual basis.

(ii) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act, 1971 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized in the statement of the Profit and Loss Account as income or expense.

No provision for leave encashment has been made in accordance with the present policy of the company.

14. Taxation

Tax on income for the restated period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax is recognized as an asset in the respective Balance Sheets. Provision of Fringe Benefit Tax shown in the Financial Statement has been estimated in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year as on the Balance Sheet date.

NOTES ON ACCOUNTS**1 Share Capital :**

Share Capital includes 92,05,249 equity shares of Rs. 10/- each fully paid up bonus shares by capitalization of reserves and surplus which includes Rs. 1,92,33,758 capitalized by utilization of

Capital & Revaluation Reserves based on Supreme Court judgment and 42,45,000 equity shares of Rs. 10 each, issued as fully paid up for a consideration other than in cash.

2 Micro Small disclosure

None of the suppliers has responded to the communication made to the Company in view of which information in respect of amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. It is not feasible of being reported.

1. NOTES ON ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS

a) Summary

The reconciliation of Profit after Tax as per Audited Results and the Profit after Tax as per Restated Accounts is presented below in Table – 1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit and loss:

TABLE 1

In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|---|---------------------------------|--------------|-------------|-------------|---------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| Profit After Tax (PAT) as per Audit Accounts | 65.71 | 51.53 | 17.15 | 10.61 | 6.79 |
| Adjustments for: | | | | | |
| Excess Deferred Tax Expense Recognized | (1.78) | (5.47) | 3.05 | 1.71 | 5.67 |
| Change in Profit/Loss on sale of Fixed Assets | - | - | 0.44 | 0.07 | - |
| Change in Depreciation | - | 22.94 | (9.60) | (3.88) | (9.97) |
| Employee Costs | - | - | (4.00) | 0.80 | 0.60 |
| Treatment of Prior period Intangible Assets | 5.23 | 1.26 | (3.45) | (2.54) | (2.06) |
| Prior Period Income Adjustment | (3.94) | - | (1.54) | (0.47) | (1.16) |
| Provision for Taxes | (1.35) | 3.07 | 0.24 | (0.65) | (0.22) |
| Profit After Tax as Restated | 63.86 | 73.33 | 2.29 | 5.64 | (0.34) |

b) Change In Depreciation

An enhanced depreciation for Rs. 22.94 Million arrived at on change of charging depreciation from straight line method to written down value method has been included in the respective financial years from 2004-05 to 2006-2007.

c) Current Tax and Deferred Tax impact on restatement

The profit and loss account of some years include amounts paid/ provided for or refunded back/written back, in respect of excess or shortfall income tax arising out of income tax appeals, assessments etc. which has now been adjusted in the respective years' tax liability.

MAT Credit entitlement for the financial year 2007-08 was computed on the basis of entitlement as per the provisions of the Income tax Act and was estimated for the Financial Year 2008-09 which was recognized during the year ended on 31st March 2009. Accordingly amount pertaining to the financial year ended 31st March, 2009 is recognized in the restated financial statement ended on March 31, 2008.

d) Prior Period Adjustments

The profit and loss account of all the financial years included some Prior Period Adjustments relating to the earlier years. The said adjustments have been adjusted in the respective years as is apparent from Table – 1. Similarly the provision for employees' emoluments expenses has been recognised in the year of incurrence.

The Company has not treated any advertisement expenditure as deferred revenue expenditure during the Financial Year 2008-09 to comply with AS-26. Further, the deferred revenue expenditure of earlier years has been restated.

The effect of above changes relating to the period prior to the financial year 2005-06 has been adjusted to the opening reserve & surplus as on 01.04.2005.

e) Material Regroupings

Appropriate adjustments, wherever material, have been made in the Restated Summary Statements of Assets and Liabilities, Profits and losses, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in consonance with the groupings as per the Audited Financials of the Company for the financial year ended on 31st March 2009 and the requirements of the guidelines issued by the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines, 2000) as amended from time to time.

f) Dividend

The Company has not declared any Dividend during the periods reported in the Restated Accounts.

2. AUDITORS' QUALIFICATIONS

The Auditor has not stated any audit qualification matters.

For Satish Aggarwal & Associates
Chartered Accountants

Satish Aggarwal
Partner
M. No. 082430

Place: New Delhi
Date: 22nd September, 2009

Annexure V

Related Parties Relationships pursuant to Accounting Standard-18 for the Financial Year 2004-05 are as follows:

| Name of the Party | Relationship |
|--------------------------|--------------------------------|
| Mr. Surinder Mehta | Chairman-cum-Managing Director |
| Mrs. Archna Mehta | Director |
| Ms. Sneha Mehta | Director's Relative |
| Mr. Rohan Mehta | Director's Relative |
| M/s Surinder Mehta (HUF) | Director's Interest |

Transactions with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2004-05 are as follows:

(A) Transaction with key Managerial Personnel:

| Particulars | Relationship | Transaction | Amount (in Rs.) | Max. Balance | Closing Balance |
|--------------------|--------------------------------|---------------------------------|----------------------------|-------------------------|----------------------------|
| Mr. Surinder Mehta | Chairman-cum-Managing Director | Director's Remuneration | 12,91,200 | | |
| Mrs. Archna Mehta | Director | Director's Remuneration Rent | 9,48,600 82,800 | | |

(B) Transaction with related party:

| | | | | | |
|--|---------------------|--|---|-----------|---------------|
| M/s Surinder Mehta (HUF) | Director's Interest | Rent | 82,800 | | |
| Ms. Sneha Mehta | Director's Relative | Salaries & Perks | 2,00,520 | | |
| Mr. Rohan Mehta | Director's Relative | Salaries & Perks | 1,28,640 | | |
| PCI Leasing & Finance Pvt. Ltd. | Common Directors | Lease Rent & Car Hire Charges Paid Interest Paid Share Application Money Paid Loan Received Investment | 5,95,796 1,24,562 3,02,000 30,75,000 3,00,000 | 1,60,232 | 11,118 Cr. |
| Planet PCI Infotech Ltd. | Common Directors | Purchase of Software/Services Advance Given Investment | 62,400 20,93,595 1,01,000 | 40,56,627 | 40,56,627 Dr. |
| International Society for Human Welfare and Rehabilitation | Director's Interest | Purchase of Greeting Cards | 23,625 | 23,625 | 23,625 Cr. |
| Endolite India Ltd. | Associates | Sales of Products Investment | 16,65,378 6,60,000 | 8,12,927 | 8,12,602 Dr. |
| Elaska Exim Pvt. Ltd. | Common Directors | Rent Paid | 1,50,000 | 1,50,000 | |
| Prime Hitech Pvt. | Common Directors | Advance Given | 1,09,687 | 1,09,687 | 1,09,687 Dr. |

| | | | | | |
|------------------------------|------------------|------------------------------|----------|-----------|---------------|
| Ltd. | | Share application money paid | 25,000 | | |
| Prime Power Corporation Ltd. | Common Directors | Loan Given | 25,000 | | |
| | | Interest paid | 2,39,619 | 19,05,050 | 19,05,050 Dr. |
| | | Investment | 1,000 | | |

Related Parties Relationships pursuant to Accounting Standard-18 for the Financial Year 2005-06 are as follows:

| Name of the Party | Relationship |
|--------------------------|--------------------------------|
| Mr. Surinder Mehta | Chairman-cum-Managing Director |
| Mrs. Archna Mehta | Director |
| Ms. Sneha Mehta | Director's Relative |
| Mr. Rohan Mehta | Director's Relative |
| M/s Surinder Mehta (HUF) | Director's Interest |

Transactions with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2005-06 are as follows:

(A) Transaction with key Managerial Personnel:

| Particulars | Relationship | Transaction | Amount (in Rs.) | Max Balance | Closing Balance |
|--------------------|--------------------------------|------------------------------|-----------------|-------------|-----------------|
| Mr. Surinder Mehta | Chairman-cum-Managing Director | Director's Remuneration & PF | 15,81,000 | | |
| Mrs. Archna Mehta | Director | Director's Remuneration & PF | 9,48,600 | | |
| | | Rent | 86,940 | | |

(B) Transaction with related party:

| | | | | | |
|--|---------------------|----------------------------|-----------|-----------|---------------|
| M/s Surinder Mehta (HUF) | Director's Interest | Rent | 86,940 | | |
| Ms. Sneha Mehta | Director's Relative | Salary & Perks | 2,65,920 | | |
| Mr. Rohan Mehta | Director's Relative | Salary & Perks | 1,67,280 | | |
| PCI Leasing & Finance Pvt. Ltd. | Common Directors | Car Hire & Lease Rent Paid | 4,25,409 | 1,00,000 | NIL |
| | | Lease Rent - Lift | 1,08,000 | | |
| Prime Hitech Pvt. Ltd. | Common Directors | Comm. Paid | 3,50,000 | 4,59,687 | 1,09,687 Dr. |
| International Society for Human Welfare and Rehabilitation | Director's Interest | Greeting Cards | 23,625 | 60,000 | 60,000 Cr. |
| Planet PCI Infotech Ltd. | Common Directors | Purchase of Software | 7,15,000 | | |
| | | Advances Given | 63,09,329 | 67,14,956 | 59,99,956 Dr. |
| Prime Power Corp. Ltd. | Common Directors | Interest Paid | 2,66,707 | 21,71,757 | 21,11,908 Dr. |
| Endolite India Ltd. | Associates | Sale of Products | 19,79,535 | 9,66,073 | 6,90,368 Dr. |
| Elaska Exim Pvt. Ltd. | Common Directors | Rent paid | 6,00,000 | 6,00,000 | 6,00,000 Dr. |

| Particulars | Relationship | Transaction | Amount (in Rs.) | Max Balance | Closing Balance |
|-------------|--------------|----------------|--------------------|----------------|--------------------|
| | | Advances Given | 2,79,449 | 2,41,405 | 1,56,191 Dr. |

Related Parties Relationships pursuant to Accounting Standard-18 for the Financial Year 2006-07 are as follows:

| Name of the Party | Relationship |
|--------------------------|--------------------------------|
| Mr. Surinder Mehta | Chairman-cum-Managing Director |
| Mrs. Archna Mehta | Director |
| Ms. Sneha Mehta | Director's Relative |
| Mr. Rohan Mehta | Director's Relative |
| M/s Surinder Mehta (HUF) | Director's Interest |

Transactions with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2006-07 are as follows:

(A) Transaction with key Managerial Personnel:

| Particulars | Relationship | Transaction | Amount (In Rs.) | Maximum Balance | Closing Balance |
|--------------------|--------------------------------|------------------------------|--------------------|--------------------|--------------------|
| Mr. Surinder Mehta | Chairman-cum-Managing Director | Director's Remuneration & PF | 15,81,000 | | |
| Mrs. Archna Mehta | Director | Director's Remuneration & PF | 9,48,600 | | |
| | | Rent | 99,360 | | |

(B) Transaction with related party:

| | | | | | |
|--|---------------------|------------------------------|-----------|-------------|---------------|
| M/s Surinder Mehta (HUF) | Director's Interest | Rent | 99,360 | | |
| Ms. Sneha Mehta | Director's Relative | Salary & Perks | 3,25,920 | | |
| Mr. Rohan Mehta | Director's Relative | Salary & Perks | 1,98,720 | | |
| PCI Leasing & Finance Pvt. Ltd. | Common Directors | Car Hire & Lease | 4,78,573 | 3,54,519 | 96,427 Cr. |
| | | Rent Chrgs Paid | 5,00,000 | 5,00,000 | Nil |
| | | Loan Recd. | | | |
| Prime Hitech Pvt. Ltd. | Common Directors | Share App.Money Paid | 5,50,000 | | |
| | | Comm. Paid | 5,37,645 | 6,47,332 | 1,09,687 Dr. |
| | | Share App.Money Paid | 500,000 | | |
| International Society for Human Welfare and Rehabilitation | Director's Interest | Purchase of Greeting Cards | 50,000 | 60,000 | NIL |
| Planet PCI Infotech Ltd. | Common Directors | Purchase of Software/Service | 13,98,495 | | |
| | | Sale - IT Software | 5,52,000 | | |
| | | Advance Given | 2,91,794 | 1,12,08,765 | 72,92,970 Cr. |
| Prime Power Corp. Ltd. | Common Directors | Comm. Paid | 75,000 | 75,000 | NIL |
| Prime Courier India Pvt. Ltd. | Common Directors | Tech. Service Paid | 52,000 | 52,000 | NIL |
| | | Share App.Money Paid | 500,000 | | |
| Endolite India Ltd. | Associates | Sales of Products | 27,94,249 | 13,63,168 | 8,29,037 Dr. |
| Elaska Exim Pvt. Ltd. | Common Directors | Rent Paid | 5,73,668 | 5,73,668 | |
| | | Advances Given | 1,74,869 | 2,41,512 | 1,33,832 Dr. |

Related Parties Relationships pursuant to Accounting Standard-18 for the Financial Year 2007-08 are as follows:

| Name of the Party | Relationship |
|--------------------------|--------------------------------|
| Mr. Surinder Mehta | Chariman-cum-Managing Director |
| Mrs. Archna Mehta | Director |
| Ms. Sneha Mehta | Director's Relative |
| Mr. Rohan Mehta | Director's Relative |
| M/s Surinder Mehta (HUF) | Director's Interest |

Transactions with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2007-08 are as follows:

(A) Transaction with key Managerial Personnel:

| Particulars | Relationship | Transaction | Amount (in Rs.) | Maximum Amount | Closing Balance |
|-------------------|--------------------------------|------------------------------|-----------------|----------------|-----------------|
| Mr.Surinder Mehta | Chariman-cum-Managing Director | Director's Remuneration & PF | 24,56,000 | | |
| Mrs.Archna Mehta | Director | Director's Remuneration & PF | 15,60,800 | | |
| | | Rent | 1,04,328 | | |

(B) Transaction with related party:

| | | | | | |
|--|---------------------|------------------------------|-----------|-----------|---------------|
| M/s Surinder Mehta (HUF) | Director's Interest | Rent | 1,04,328 | | |
| Ms. Sneha Mehta | Director's Relative | Salary & Perks | 4,50,720 | | |
| Mr. Rohan Mehta | Director's Relative | Salary & Perks | 4,26,327 | | |
| Pci Leasing & Finacne Pvt. Ltd. | Common Directors | Car Hire Charges paid | 2,46,345 | 2,21,427 | NIL |
| | | Lease Rent Lift | 1,08,000 | 1,08,000 | |
| | | Share Application Money Paid | 46,00,000 | | |
| Planet PCI infotech Ltd. | Common Directors | Purchase of Software/service | 2,46,970 | | |
| | | Advances Given | 39,83,796 | 80,61,959 | 39,79,796 Dr. |
| | | Investment | 9,50,000 | | |
| International Society for Human Welfare and Rehabilitation | Director's Interest | Purchahse of Greeting Cards | 53,000 | 53,000 | NIL |
| Endolite India Ltd. | Associates | Sales of Products | 36,93,619 | 10,15,790 | 3,53,781 Dr. |
| | | Share Application Money Paid | 3,40,000 | | |
| Elaska Exim Pvt. Ltd. | Common Directors | Rent Paid | 8,06,332 | 8,06,332 | |
| | | Advance Given | 2,88,773 | 2,06,454 | 2,06,454 Dr. |

| | | | | | |
|----------------------------|------------------|------------------------------|----------|--|--|
| Prime Hitech Pvt. Ltd. | Common Directors | Share Application Money paid | 2,00,000 | | |
| Prudent Manfin Consultants | Common Directors | Share Application Money Paid | 3,00,000 | | |

Related Parties Relationships pursuant to Accounting Standard-18 for the Financial Year 2008-09 are as follows:

| Name of the Party | Relationship |
|--------------------------|--------------------------------|
| Mr. Surinder Mehta | Chariman-cum-Managing Director |
| Mrs. Archna Mehta | Director |
| Ms. Sneha Mehta | Director's Interest |
| Mr. Rohan Mehta | Director |
| M/s Surinder Mehta (HUF) | Director's Interest |

Transactions with Related Parties pursuant to Accounting Standard-18 for the Financial Year 2008-09 are as follows:

(A) Transaction with key Managerial Personnel:

| Particulars | Relation | Transaction | Amount (in Rs.) | Maximum Balance | Closing Balance |
|-------------------|--------------------------------|---|--|-----------------|-----------------|
| Mr.Surinder Mehta | Chariman-cum-Managing Director | Director's Remuneration PF Bonus Leave Encashment | 30,00,000 81,000 1,40,000 2,50,000 | | |
| Mrs.Archna Mehta | Director | Director's Remuneration PF Bonus Leave Encashment Medical Rent | 7,65,000 24,300 1,00,000 1,25,000 1,29,800 1,19,232 | | |
| Mr. Rohan Mehta | Director | Director's Remuneration PF Bonus | 15,00,000 9,360 32,302 | | |

(B) Transaction with related party:

| | | | | | |
|---------------------------------|---------------------|---|---------------------------------------|---------------------------------------|------------------------------------|
| M/s Surinder Mehta (HUF) | Director's Interest | Rent | 1,19,232 | | |
| Ms. Sneha Mehta | Director | Salary & Perks Remuneration PF Bonus | 12,00,000 9,720 33,600 | | |
| PCI Leasing & Finance Pvt. Ltd. | Common Directors | Car Hire charges paid Lease Rent Lift Loan Received | 2,50,000 1,08,000 10,00,000 | 2,00,000 1,08,000 10,00,000 | 9,003 Dr. 10,00,000 Cr. |
| Planet PCI Infotech | Common Directors | Tech.Ser.ChgPaid | 12,07,345 | | |

| | | | | | |
|--|---------------------|------------------------------|-------------|-------------|-----------------|
| Ltd. | | Advance Given | 44,87,161 | 72,39,613 | 72,39,613 Dr. |
| International Society for Human Welfare and Rehabilitation | Director's Interest | Purchase of Greeting Cards | 56,770 | 56,770 | NIL |
| Endolite India Ltd. | Common Directors | Sales of Products | 62,96,058 | 23,52,337 | 9,12,014 Dr. |
| | | Investment | 5,40,000 | | |
| | | Share Application Money Paid | 2,50,000 | | |
| Elaska Exim Pvt. Ltd. | Common Directors | Rent Paid | 9,50,000 | 9,50,000 | |
| | | Advances Given | 2,42,347 | 4,48,801 | 4,48,801 Dr. |
| | | Loan Recd. | 10,00,000 | 10,00,000 | 10,00,000 Cr. |
| PCI Europh GmbH | Subsidiary | Sales of Products | 2,23,78,544 | 2,16,16,433 | 1,68,18,455 Dr. |
| | | Investment | 16,46,000 | | |
| PCI Asia Pacific Pvt. Ltd. | Subsidiary | Sales of Products | 13,39,392 | | |
| | | Advance Given | 10,70,023 | | |
| | | Investment | 58,974 | | |
| Prime Electric Limited | Subsidiary | Tech Service recd. | 24,26,600 | | |
| | | Advance received | | | |
| | | Investment | | | |
| | | Share application money paid | 1,20,00,000 | | |
| | | | 5,00,000 | | |
| | | | 2,32,44,599 | | |
| Prime Courier India Pvt. Ltd. | Common Directors | Loan Received | 10,00,000 | 10,00,000 | 10,00,000 Cr. |
| Prime Hitech Pvt.Ltd. | Common Directors | Loan Received | 10,00,000 | 10,00,000 | 10,00,000 Cr. |
| | | Share Application Money Paid | | | |
| | | | 1,00,000 | | |
| Prudent Manfin Consultants | Common Directors | Loan Recd. | 10,00,000 | 10,00,000 | 10,00,000 Cr. |
| Prime Power Corporation Ltd. | Common Directors | Loan Recd. | 21,11,908 | 21,11,908 | NIL |

RESTATED DETAILS OF INVESTMENTS

Annexure VI
In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|---|---------------------------------|-------------|-------------|-------------|-------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| A. Quoted Investments at cost | | | | | |
| Equity Shares of Punjab National Bank | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Punjab National Bank Mutual Fund | 0.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (A) | 0.56 | 0.06 | 0.06 | 0.06 | 0.06 |
| B. Unquoted Investments | | | | | |
| a) Investment in Subsidiaries | | | | | |
| i) PCI Europe GmbH | 1.65 | 0.00 | 0.00 | 0.00 | 0.00 |
| ii) PCI Asia Pacific Pvt. Ltd. | 0.06 | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Prime Electric Ltd. | 0.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| b) Investment in Associates | | | | | |
| i) Equity Shares of Endolite (India) Ltd. | 0.00 | 0.66 | 0.66 | 0.66 | 0.66 |
| c) Investment in Others | 2.55 | 1.35 | 0.40 | 0.40 | 0.40 |
| Total (B) | 4.76 | 2.01 | 1.06 | 1.06 | 1.06 |
| Total Investments (A+B) | 5.32 | 2.07 | 1.12 | 1.12 | 1.12 |

RESTATED DETAILS OF SUNDRY DEBTORS

Annexure VII
In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|---|---------------------------------|------------|------------|------------|------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| Unsecured, Considered Good | | | | | |
| - Debtors outstanding for a period exceeding Six months | 148.70 | 123.04 | 84.40 | 78.10 | 53.29 |
| - Other Debts | 341.20 | 314.04 | 213.52 | 137.23 | 110.01 |
| Total | 489.90 | 437.08 | 297.92 | 215.33 | 163.30 |

RESTATED DETAILS OF LOANS AND ADVANCES
Annexure VIII
In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|---|--|-------------------|-------------------|-------------------|-------------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| Advances recoverable in cash or in kind or for value to be received | 144.47 | 96.78 | 62.65 | 43.43 | 43.37 |
| Total | 144.47 | 96.78 | 62.65 | 43.43 | 43.37 |

RESTATED DETAILS OF SECURED LOANS

Annexure IX
In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | |
|--|---------------------------------|---------------|---------------|---------------|---------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| LOANS FROM BANKS | | | | | |
| Punjab National Bank- Cash Credits | 254.07 | 204.03 | 141.59 | 124.34 | 93.33 |
| Punjab National Bank (Term Loan- Building) | 0.00 | 0.00 | 5.00 | 7.50 | 10.00 |
| Punjab National Bank (Term Loan- Building-II) | 140.78 | 20.14 | 0.00 | 0.00 | 0.00 |
| Punjab National Bank(Corporate Loan) | 32.33 | 44.43 | 56.00 | 0.00 | 0.00 |
| State Bank of India(Corporate Loan) | 0.00 | 35.38 | 0.00 | 0.00 | 0.00 |
| Punjab National Bank(Term Loan-Wind Mill) | 221.54 | 228.01 | 0.00 | 0.00 | 0.00 |
| SIDBI | 54.29 | 30.83 | 37.37 | 30.40 | 0.00 |
| Loans Against Vehilces & Equipments from Others | | | | | |
| Raindrop Finlease | 0.00 | 0.06 | 0.29 | 0.55 | 0.79 |
| Punjab & Kashmir Finance | 0.75 | 1.56 | 2.77 | 3.85 | 1.37 |
| Standard Chartered | 0.00 | 0.01 | 0.14 | 0.35 | 0.61 |
| Target Finlease Ltd. | 0.00 | 0.51 | 1.26 | 2.16 | 3.60 |
| ICICI Bank | 7.18 | 10.73 | 11.40 | 10.01 | 0.99 |
| HSBC Bank | 0.00 | 0.00 | 0.00 | 0.04 | 0.15 |
| HDFC Bank Ltd. | 0.59 | 0.77 | 0.80 | 0.46 | 0.73 |
| Kotak Mahindra Prime Ltd. | 2.44 | 0.72 | 0.89 | 0.00 | 0.00 |
| Bajaj Auto Finance Ltd. | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 |
| Orix Auto Infrastructure Services Ltd. | 5.38 | 2.44 | 0.00 | 0.00 | 0.00 |
| | | | | | |
| | | | | | |
| Total | 719.35 | 579.59 | 257.52 | 179.67 | 111.58 |

OUTSTANDING AS ON 31st MARCH 2009

In Rupees Millions

| PARTICULARS | Amount 31.03.09 | Rate of Interest | Securities Offered | Repayment Terms |
|--|--------------------|----------------------|---|-------------------------|
| LOANS FROM BANKS:- | | | | |
| Punjab National Bank- Cash Credits | 254.07 | BPLR-1.25% | Charge on stock, Book Debts & Machine not financed by any banker, personal guarantee of promoters & equitable mortgage of immovable properties. | |
| Punjab National Bank (Term Loan- Building-II) | 140.78 | BPLR-0.5% TP-1.5% | Personal guarantee of promoters & equitable mortgage of immovable properties of Udyog Vihar | |
| Punjab National Bank(Corporate Loan) | 32.33 | BPLR-0.5% TP-1.5% | Personal guarantee of promoters & equitable mortgage of immovable properties | EMI Rs. 10,00,000.00 |
| Punjab National Bank(Term Loan-Wind Mill) | 221.54 | BPLR-0.5% TP-1.5% | Personal guarantee of promoters & equitable mortgage of Wind Mills. Collateral Security of Land & Building of Udyog vihar | EMI Rs. 73,43,750.00 |
| SIDBI | 24.29 | 9.50% | Personal guarantee of promoters & equitable mortgage of immovable properties and Fixed Assets of IMT Manesar | EMI Rs. 5,45,000.00 |
| SIDBI- Working Capital | 5.00 | 13.00% | | |
| SIDBI- Working Capital | 5.00 | 12.50% | | |
| SIDBI- Working Capital | 20.00 | 12.50% | | |
| Car loans | | | | |
| ICICI Bank Ltd. | 0.98 | 6.06% | Car-Mercedes | EMI Rs. 72,580 |
| ICICI Bank Ltd. | 0.18 | 8.69% | Car-Optra | EMI Rs. 12,280 |
| ICICI Bank Ltd. | 0.17 | 8.69% | Car-Optra | EMI Rs. 12,280 |
| ICICI Bank Ltd. | 0.17 | 8.69% | Car-Optra | EMI Rs. 12,280 |
| ICICI Bank Ltd. | 0.11 | 8.69% | Car-Indica | EMI Rs. 6,350 |
| ICICI Bank Ltd. | 0.14 | 5.38% | Car-Accent | EMI Rs. 9,200 |
| ICICI Bank Ltd. | 0.54 | 6.19% | Car- Camary | EMI Rs. 32,830 |
| ICICI Bank Ltd. | 0.22 | 9.25% | Car-Optra | EMI Rs. 12,438 |
| ICICI Bank Ltd. | 0.39 | 4.75% | Car-Corolla | EMI Rs. 22,248 |
| ICICI Bank Ltd. | 0.21 | 11.38% | Car- Maruti Esteem | EMI Rs. 9,970 |
| ICICI Bank Ltd. | 0.17 | 9.38% | Tata 207 | EMI Rs. 7,897 |
| ICICI Bank Ltd. | 0.14 | 5.55% | Car-Indica | EMI Rs. 6,466 |
| ICICI Bank Ltd. | 0.17 | 10.56% | Car-Indica | EMI Rs. 7,250 |
| ICICI Bank Ltd. | 0.10 | 9.63% | Car-Omini | EMI Rs. 4,182 |
| ICICI Bank Ltd. | 1.29 | 9.44% | Car-Mercedes | EMI Rs. 51,600 |
| ICICI Bank Ltd. | 0.12 | 9.00% | Maruti Van | EMI Rs. 4,120 |
| ICICI Bank Ltd. | 0.10 | 9.75% | Maruti Van | EMI Rs. 4,167 |
| ICICI Bank Ltd. | 1.98 | 10.94% | Car-BMW | EMI Rs. 58,119 |
| HDFC Bank Ltd. | 0.42 | 10.38% | Car & Van | EMI Rs. 14,062 |
| HDFC Bank Ltd. | 0.17 | 8.13% | Car-Alto | EMI Rs. 6,341 |

| PARTICULARS | Amount | Rate of Interest | Securities Offered | Repayment Terms |
|---|----------|------------------|--------------------|-----------------|
| | 31.03.09 | | | |
| <u>Loans against vehicles from others</u> | | | | |
| Kotak Mahindra Prime Ltd. | 0.52 | 13.69% | Car-Corolla | EMI Rs. 23,809 |
| Kotak Mahindra Prime Ltd. | 0.53 | 11.63% | Car-Honda City | EMI Rs. 13,375 |
| Kotak Mahindra Prime Ltd. | 0.82 | 10.75% | Car-Innova | EMI Rs. 20,700 |
| Kotak Mahindra Prime Ltd. | 0.57 | 10.50% | Car-Honda City | EMI Rs. 14,019 |
| | | | | |
| <u>Loans against office equipments from others</u> | | | | |
| Punjab & Kashmir Finance | 0.15 | 13.94% | Genset | EMI Rs. 9,400 |
| Punjab & Kashmir Finance | 0.27 | 13.94% | A.C. | EMI Rs. 3,780 |
| Punjab & Kashmir Finance | 0.07 | 13.88% | Elevator | EMI Rs. 20,300 |
| Punjab & Kashmir Finance | 0.17 | 13.63% | LCD Tv | EMI Rs. 10,000 |
| Punjab & Kashmir Finance | 0.09 | 13.44% | Computer/Fireboxes | EMI Rs. 20,400 |
| Orix Auto Infrastructure Services Ltd. | 0.55 | 13.50% | CNC Machine | EMI Rs. 49,770 |
| Orix Auto Infrastructure Services Ltd. | 1.05 | 13.50% | Genset | EMI Rs. 20,692 |
| Orix Auto Infrastructure Services Ltd. | 0.29 | 13.50% | EPBX | EMI Rs. 9,923 |
| Orix Auto Infrastructure Services Ltd. | 1.47 | 13.50% | CNC Machine | EMI Rs. 40,078 |
| Orix Auto Infrastructure Services Ltd. | 2.02 | 17.00% | Server | EMI Rs. 74,079 |

RESTATED DETAILS OF UNSECURED LOANS**Annexure X***In Rupees Millions*

| PARTICULARS | For the Financial Year ended on | | | | |
|--------------------------------------|---------------------------------|--------------|-------------|-------------|-------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| A) From Bank | | | | | |
| Barclays Bank | 2.51 | 3.50 | 0.00 | 0.00 | 0.00 |
| HDFC Bank | 2.23 | 3.00 | 0.00 | 0.00 | 0.00 |
| Standard Chartered Bank | 2.14 | 3.00 | 0.00 | 0.00 | 0.00 |
| ABN Amro Bank | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | |
| | | | | | |
| B) From Others | | | | | |
| Reliance Capital | 2.16 | 3.00 | 0.00 | 0.00 | 0.00 |
| Equitable Capital Services Pvt. Ltd. | 0.00 | 0.00 | 0.00 | 0.00 | 0.32 |
| Bajaj Finance | 1.90 | 0.00 | 0.00 | 0.00 | 0.00 |
| Elaska Exim. Pvt. Ltd. | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PCI Leasing & Finance Pvt. Ltd. | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prime Couriers India Pvt. Ltd. | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prime Hitech Pvt. Ltd. | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prudent Manfin Consultants Pvt. Ltd. | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Raindrop Marketing Pvt. Ltd. | 2.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| Religare Finvest | 2.34 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | |
| Total | 23.78 | 12.50 | 0.00 | 0.00 | 0.32 |

RESTATED DETAILS OF CONTINGENT LIABILITIES
Annexure XI
In Rupees Millions

| PARTICULARS | For the Financial Year / Period ended on | | | | |
|---|--|------------|------------|------------|------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| IT Appeal pending before CIT(Appeals) | 2.48 | 2.78 | 0.00 | 3.56 | 0.26 |
| In Respect of Sales Tax (On account of sales tax form ot be received from customer / rejection of sales tax exemption certificates issued by customers and in case of the payment the same is recoverable from customers) | 10.81 | 8.64 | 8.29 | 9.66 | 3.48 |
| Corporate guarantee given to Bank for loans taken by other company(Given to Planet PCI Infotech Ltd. For Non-Fund Based limit) | 10.00 | 10.00 | 0.00 | 0.00 | 0.00 |
| In Respect of Counter gurantee given to Bank/others | 190.10 | 135.26 | 138.25 | 84.22 | 71.33 |

DETAILS OF OTHER INCOME, AS RESTATED

Annexure XII
In Rupees Millions

| PARTICULARS | NATURE | For the Financial Year / Period ended on | | | | |
|---|---------------|--|--------------|---------------|--------------|--------------|
| | | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| Interest & Dividend Income | NON-RECURRING | 0.32 | 0.06 | 0.01 | 0.00 | 0.00 |
| Provision for After Sales Services Written Bank | RECURRING | 46.41 | 75.61 | 93.78 | 35.75 | 25.84 |
| Misc Receipt | RECURRING | 8.83 | 4.18 | 1.60 | 0.30 | 0.58 |
| Profit on sale of long term Investment | NON-RECURRING | 0.13 | 0.00 | 0.00 | 0.00 | 0.00 |
| Foreign Exchange Fluctuation Gain | RECURRING | 13.02 | 8.76 | 2.88 | 2.10 | 2.92 |
| Packing, forwarding & Insurance | RECURRING | 0.95 | 3.11 | 3.36 | 1.09 | 0.54 |
| Profit on Sale of Fixed Assets | NON-RECURRING | 0.00 | 0.06 | 0.20 | 0.09 | 0.00 |
| Custom Duty Refund Received | NON-RECURRING | 0.00 | 0.49 | 0.44 | 1.43 | 0.48 |
| | | | | | | |
| Total | | 69.66 | 92.27 | 102.27 | 40.76 | 30.37 |

STATEMENT OF ACCOUNTING RATIOS

Annexure XIII

| PARTICULARS | For the Financial Year ended on | | | | |
|--|---------------------------------|------------|------------|------------|------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| Net Worth (Rs. Millions) | 302.99 | 239.13 | 165.80 | 144.40 | 138.75 |
| Restated Earnings attributable to Equity Share Holders (Rs. Millions) | 63.87 | 73.32 | 2.28 | 5.65 | (0.33) |
| No. of Equity Shares outstanding at the end of period | 13,782,749 | 13,782,749 | 5,908,385 | 5,865,000 | 5,865,000 |
| Weighted Average no. of Equity Shares outstanding during the year/period | 13,782,749 | 13,782,749 | 13,782,749 | 13,782,749 | 13,782,749 |
| Earnings Per Share (EPS) (Face Value Rs. 10/-each) | | | | | |
| Basic Earnings per share (In Rs.) | 4.63 | 5.32 | 0.17 | 0.41 | (0.02) |
| Return on Net Worth (%) | 21.08% | 30.66% | 1.37% | 3.91% | -0.24% |
| Net Assets Value per share of Rs. 10/-each | 21.98 | 17.35 | 12.03 | 10.48 | 10.07 |

Formula:

Earning Per Share (Rs.) = Net Profit After Tax / Weighted No. of Equity Shares

Return on Net Worth (%) = Net Profit After Tax / Net Worth

Net Assets Value (Rs.) = Net Worth / No. of Equity Shares

Note:

The number of shares indicates the closing number of shares as at 31st March 2009

CAPITALIZATION STATEMENT
Annexure XIV
In Rupees Millions

| PARTICULARS | Pre Issue As At 31.03.2009 | Post Issue * |
|-----------------------------------|---------------------------------------|---------------------|
| Borrowings | | |
| Secured Loans | 719.35 | |
| Unsecured Loans | 23.78 | |
| <i>Less: Short Term Debts</i> | 365.23 | |
| Total long-term borrowings | 377.90 | |
| Shareholders' Funds | | |
| Equity Share Capital | 137.83 | |
| Reserves & Surplus | | |
| Profit and Loss Accounts | 165.16 | |
| Securities Premium | - | |
| Total Shareholders' Funds | 302.99 | |
| Debt / Equity Ratio | 1.25 | |

Notes :

1. *Short Term Debts are debts payable within next one year*
2. *working capital Limits as on March 31 , 2009 are considered as short term debts.*
3. *The Figures included above are as per restated statement of assets and liabilities and restated statement of profit and loss.*

* Will be finalised at the time of Prospectus

Annexure XV

Disclosure for Gratuity**1. Change in present value of obligation**

| | | 31/03/09 | 31/03/08 | 31/03/07 | 31/03/06 | 31/03/05 |
|----|---|----------|----------|----------|----------|----------|
| a) | Present value of obligation as at the beginning of the period | 8.03 | 5.32 | 3.65 | 3.18 | 2.48 |
| b) | Interest cost | 0.60 | 0.40 | 0.27 | 0.23 | 0.18 |
| c) | Current service cost | 1.42 | 1.06 | 0.68 | 0.49 | 0.43 |
| d) | Benefits paid | (0.41) | (0.06) | (0.25) | (0.29) | (0.12) |
| e) | Actuarial (gain)/loss on obligation | 1.29 | 1.30 | 0.95 | 0.03 | 0.19 |
| f) | Present value of obligation as at the end of period | 10.95 | 8.03 | 5.32 | 3.65 | 3.18 |

2. The amounts to be recognized in balance sheet and related analysis

| | | 31/03/09 | 31/03/08 | 31/03/07 | 31/03/06 | 31/03/05 |
|----|---|----------|----------|----------|----------|----------|
| a) | Present value of obligation as at the end of the period | 10.95 | 8.03 | 5.32 | 3.65 | 3.18 |
| b) | Fair value of plan assets as at the end of the period | -- | -- | | | |
| c) | Funded status / Difference | (10.95) | (8.03) | (5.32) | (3.65) | (3.18) |
| d) | Excess of actual over estimated | -- | -- | | | |
| e) | Unrecognized actuarial (gains)/losses | -- | -- | | | |
| f) | Net asset/(liability) recognized in balance sheet | (10.95) | (8.03) | (5.32) | (3.65) | (3.18) |

3. Expense recognized in the statement of profit and loss

| | | 31/03/09 | 31/03/08 | 31/03/07 | 31/03/06 | 31/03/05 |
|----|---|----------|----------|----------|----------|----------|
| a) | Current service cost | 1.42 | 1.06 | 0.68 | 0.49 | 0.43 |
| b) | Interest cost | 0.60 | 0.40 | 0.27 | 0.23 | 0.18 |
| c) | Net actuarial (gain)/ loss recognized in the period | 1.29 | 1.30 | 0.95 | 0.03 | 0.19 |
| d) | Expenses recognized in the statement of profit & losses | 3.32 | 2.77 | 1.91 | 0.76 | 0.82 |

4. Actuarial Assumptions

| | 31/03/09 | 31/03/08 | 31/03/07 | 31/03/06 | 31/03/05 |
|---|----------|----------|----------|----------|----------|
| i) Discounting Rate | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 |
| ii) Future salary Increase | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| iii) Expected Rate of return on plan assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

COMPUTATION OF DEFERRED TAX ASSET / LIABILITY FOR THE YEAR ENDED**Annexure XVI***In Rupees Millions*

| Particulars | For the Financial Year / Period ended on | | | | |
|---|--|------------|------------|------------|------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| | | | | | |
| Timing Differences | | | | | |
| WDV as per Companies Act, 1956 | 490.23 | 519.52 | 249.13 | 228.78 | 39.87 |
| WDV as per Income Tax Act, 1961 | 282.61 | 403.12 | 234.39 | 214.61 | 30.04 |
| Disallowed U/S 43B/40(a) | 22.15 | 10.09 | 6.01 | 6.50 | 3.18 |
| Timind Difference On Leased Assets | - | - | - | - | - |
| Total Timing Difference | 185.48 | 106.31 | 8.73 | 7.68 | 6.65 |
| | | | | | |
| Effective Tax Rates (%) | 33.99 | 33.99 | 33.66 | 33.66 | 36.59 |
| | | | | | |
| Tax on Timing Differences | 63.04 | 36.14 | 2.94 | 2.58 | 2.43 |
| Deferred Tax Liability / (Asset) | 63.04 | 36.14 | 2.94 | 2.58 | 2.43 |

STATEMENT OF TAX SHELTER

Annexure XVII

In Rupees Millions

| PARTICULARS | | 31/03/2009 | 31/03/2008 | 31/03/2007 | 31/03/2006 | 31/03/2005 |
|---|-----|----------------|----------------|----------------|---------------|---------------|
| Profit/(Loss) before tax as per Audited Accounts (A) | (A) | 104.11 | 93.35 | 28.85 | 19.86 | 10.73 |
| Income Tax Rate Applicable | (B) | 33.99% | 33.99% | 33.66% | 33.66% | 36.59% |
| Tax at Normal Income Tax Rates (A X B) | (C) | 35.00 | 32.00 | 10.00 | 7.00 | 4.00 |
| Adjustments: | | | | | | |
| <u>Permanent Differences</u> | | | | | | |
| Donation | | 2.10 | 0.85 | 1.17 | 1.01 | 0.91 |
| Exempt Income | | - | - | (0.01) | (0.02) | (0.02) |
| (Profit)/Loss on sale of fixed asset | | 0.00 | 3.29 | 0.24 | 0.24 | - |
| Income Tax & Wealth Tax debited to Profit & Loss A/c | | 0.10 | 0.36 | 0.06 | - | - |
| Profit/(Loss) on sale of Investments | | (0.13) | - | - | - | - |
| Filing Fee to Increase the Authorized Capital | | - | 0.70 | - | - | - |
| Total Permanent Differences | (D) | 2.08 | 5.20 | 1.46 | 1.23 | 0.89 |
| <u>Timing Differences</u> | | | | | | |
| Difference between book depreciation & IT Act Depreciation | | (91.23) | (81.92) | (10.06) | (8.33) | (1.76) |
| Due to Deferred Revenue Expenditure | | 5.23 | (3.00) | (3.45) | (2.54) | (2.26) |
| Allowances under 40(a)/ 43B | | (5.03) | (0.53) | (2.62) | (0.04) | (0.97) |
| Disallowances under 40(a)/ 43B | | 13.10 | 8.30 | 2.31 | 3.19 | 1.05 |
| Total Timing Differences | (E) | (77.94) | (77.15) | (13.82) | (7.72) | (3.94) |
| NET ADJUSTMENTS (D + E) | (F) | (75.86) | (71.95) | (12.36) | (6.49) | (3.05) |
| Tax Saving Thereon (F X B) | (G) | (26.00) | (24.00) | (4.00) | (2.00) | (1.00) |
| Tax Savings due to deduction under Chapter VI-A | (H) | (0.35) | (0.15) | (0.24) | (0.20) | (0.14) |
| Tax Provision on Audited Profit (C + G + H) | (I) | 9.25 | 7.13 | 5.31 | 4.30 | 2.67 |
| Tax Provision on Long term Gain at Special rate | (J) | 0.02 | - | - | - | - |
| Tax Provision for the Year (I + J) | | 9.27 | 7.13 | 5.31 | 4.30 | 2.67 |

SEGEMENT INFORMATION

Annexure XVIII

A) PRIMARY SEGMENTS

Rs. in Millions

| PARTICULARS | As AT 31.03.2009 | As AT 31.03.2008 | As AT 31.03.2007 | As AT 31.03.2006 | As AT 31.03.2005 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>SEGEMENT REVENUE</u> | | | | | |
| (a) Testing, Measuring, Restoration & Condition Monitoring Equipments | 1,152.91 | 1,033 | 655.26 | 478.55 | 410.72 |
| (b) Commission Income | 107.73 | 65.17 | 86.08 | 64.18 | 45.23 |
| (c) Precision Engg. & Casting | 90.39 | 70.68 | 34.10 | 19.95 | 12.53 |
| (d) wind Mill | 32.96 | 0.82 | - | - | - |
| (e) Unallocated | 0.44 | - | - | - | - |
| Total | 1,384.44 | 1,170.12 | 775.44 | 562.69 | 468.48 |
| LESS-INTER SEGEMENT REVENUE | 3.04 | 5.46 | 2.66 | 4.10 | 2.51 |
| <u>NET SEGEMENT REVENUE</u> | 1,381.40 | 1,164.66 | 772.78 | 558.59 | 465.97 |
| (a) Testing, Measuring, Restoration & Condition Monitoring Equipments | 1,152.91 | 1,033.46 | 655.26 | 478.55 | 410.72 |
| (b) Commission Income | 107.73 | 65.17 | 86.08 | 64.18 | 45.23 |
| (c) Precision Engg. & Casting | 87.35 | 65.22 | 31.45 | 15.86 | 10.02 |
| (d) wind Mill | 32.96 | 0.82 | - | - | - |
| (e) Unallocated | 0.44 | - | - | - | - |
| Total | 1,381.40 | 1,164.66 | 772.78 | 558.59 | 465.97 |
| <u>SEGMENT RESULT BEFORE INTEREST & TAXES</u> | | | | | |
| (a) Testing, Measuring, Restoration & Condition Monitoring Equipments | 159.01 | 150.66 | 50.86 | 22.96 | 3.64 |
| (b) Commission Income | 35.30 | 25.32 | 13.57 | 15.26 | 15.11 |
| (c) Precision Engg. & Casting | (4.15) | (15.71) | (18.61) | (5.00) | (3.25) |
| (d) wind Mill | (5.01) | (0.77) | - | - | - |
| (e) Unallocated | 0.44 | - | - | - | - |
| Total | 185.59 | 159.51 | 45.83 | 33.22 | 15.50 |
| Less:- | | | | | |
| Interest & Finance Expenses- Wind Mill | 27.75 | 0.62 | - | - | - |
| Interest & Finance Expenses-Unallocated | 52.45 | 41.34 | 35.14 | 19.94 | 17.36 |
| Current Tax | 11.30 | 10.18 | 5.20 | 4.20 | 2.82 |
| Fringe Benefit Tax | 4.45 | 3.87 | 2.83 | 3.27 | - |
| Deferred Tax Liability | 26.91 | 33.20 | 0.35 | 0.15 | (4.34) |
| Wealth Tax | 0.05 | 0.03 | 0.02 | 0.01 | - |
| Mat Credit Entitlement | (1.18) | (3.05) | - | - | - |
| Profit After Tax | 63.86 | 73.33 | 2.29 | 5.64 | (0.34) |
| <u>OTHER INFORMATIONS</u> | | | | | |
| <u>SEGMENT ASSETS</u> | | | | | |
| (a) Testing, Measuring, Restoration & Condition Monitoring Equipments | 687.87 | 658.82 | 472.34 | 367.86 | 310.97 |
| (b) Commission Income | 147.51 | 11.20 | 30.76 | 21.33 | 13.48 |
| (c) Precision Engg. & Casting | 219.89 | 221.48 | 183.89 | 168.77 | 112.02 |
| (d) wind Mill | 236.80 | 270.78 | - | - | - |
| (e) Unallocated | 169.10 | 36.19 | 15.39 | 19.31 | 20.56 |
| Less:- Revaluation Reserve | - | - | - | (19.12) | (19.13) |
| Total | 1,461.17 | 1,198.47 | 702.38 | 558.15 | 437.90 |
| <u>SEGMENT LIABILITIES</u> | | | | | |
| (a) Testing, Measuring, Restoration & Condition Monitoring Equipments | 306.42 | 272.52 | 243.12 | 209.71 | 169.28 |
| (b) Commission Income | 3.69 | 1.52 | 3.09 | 1.73 | 1.14 |
| (c) Precision Engg. & Casting | 14.59 | 22.58 | 9.06 | 5.13 | 4.04 |
| (d) wind Mill | 221.56 | 228.01 | - | - | - |
| (e) Unallocated | 334.07 | 218.18 | 139.72 | 72.84 | 31.02 |
| Total | 880.32 | 742.81 | 394.99 | 289.42 | 205.50 |
| <u>CAPITAL EXPENDITURE</u> | | | | | |
| (a) Testing, Measuring, Restoration & Condition Monitoring Equipments | 16.92 | 11.33 | 11.81 | 20.40 | 10.31 |
| (b) Commission Income | 5.08 | 1.73 | 6.09 | 7.80 | 3.07 |
| (c) Precision Engg. & Casting | 8.24 | 11.51 | 22.23 | 48.32 | 1.96 |
| (d) wind Mill | - | 271.40 | - | - | - |
| Total | 30.23 | 295.97 | 40.13 | 76.51 | 15.33 |
| <u>DEPRECIATION</u> | | | | | |
| (a) Testing, Measuring, Restoration & Condition Monitoring Equipments | 9.97 | 10.09 | 7.38 | 6.64 | 13.13 |
| (b) Commission Income | 2.99 | 1.54 | 3.80 | 2.54 | 3.91 |
| (c) Precision Engg. & Casting | 9.33 | 9.13 | 8.20 | 1.41 | 1.01 |
| (d) wind Mill | 37.20 | 1.43 | - | - | - |
| Total | 59.49 | 22.20 | 19.38 | 10.59 | 18.05 |

B) SECONDARY SEGMENTS**i) REVENUE AS PER GEOGRAPHICAL MARKETS**

| PARTICULARS | AS AT | AS AT | AS AT | AS AT | AS AT |
|---------------|-----------------|-----------------|---------------|---------------|---------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2007 | 31.03.2006 | 31.03.2005 |
| INDIA | 1,225.49 | 1,085.80 | 676.85 | 479.86 | 410.39 |
| OUTSIDE INDIA | 155.91 | 78.86 | 95.94 | 78.73 | 55.58 |
| TOTAL | 1,381.40 | 1,164.66 | 772.78 | 558.59 | 465.97 |

CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT

To

**The Board of Directors,
PCI LTD.**

11/5B, Pusa road
New Delhi-110005

Dear Sirs,

We have examined the attached financial information of **PCI LIMITED** and its subsidiaries (collectively referred to as the "Group"), based on the audited financial statements of the Company for the financial year ended on March 31, 2009 as approved by the Board of Directors, proposed to be included in the Offer Document/Red Herring Prospectus proposed to be issued by the Company in connection with its proposed Public Issue of equity shares and prepared in accordance with:

- a) Terms of the Paragraph B(1), Part II of schedule II of the Companies Act, 1956;
- b) Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as amended to the date and issued by Securities and Exchange Board of India ("SEBI") in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and
- c) The terms of engagement reference dated 26th June, 2009 received from the Company, requesting us to carry out the work in connection with the offered document as aforesaid.

FINANCIAL INFORMATION AS PER AUDITED FINANCIAL STATEMENTS:

1. We have examined the attached consolidated Statement of Assets and Liabilities, as restated for the financial year ended on March 31, 2009 (**Annexure I**) and the attached 'consolidated Statement of Profit & Losses, as restated for the year ended on 31st March, 2009 (**Annexure II**) together, referred to as 'Consolidated Summary Statements'. The consolidated summary statements have been extracted from the financial statements audited by us and approved by the Board of Directors and adopted by the Members for that year. Previous years figures have not been furnished in view of the financial year ending 31st March, 2009 being the first year of consolidated financial statements.

We report that the consolidated summary statements by the Company in consideration of and in accordance with the requirements of Accounting Standard (AS-21) – Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

The consolidated summary statement have been arrived at after making such adjustments and re-grouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report. Based on our examination of these summary statements, we state that:

- The impacts of changes in accounting policies adopted by the Company as at 31st March, 2009 have been adjusted with retrospective effect in the attached summary statements except that the Company has not made any Provision for after sales services expenses as in the opinion of the management it is no longer required. The impact due to change in estimates has not been considered.
- The Summary Statements have to be read in conjunction with the notes given in Annexure-IV to this report.

- There are no qualifications in the auditor's report that require adjustments to the Summary Statements.
 - The extra ordinary items that need to be disclosed separately in the summary statements have been appropriately disclosed.
2. The summary of significant accounting policies adopted by the Company pertaining to the financial statements as at March 31, 2009 are disclosed in Annexure IV.
 3. We have also examined the following other financial information annexed to this report, prepared by the management and approved by the Board of Directors, relating to the company for the year ended 31st March 2009:

| S. No. | Annexures | Annexure No. |
|--------|------------------------------|--------------|
| 1. | Cash Flow Statements | Annexure III |
| 2. | Summary of Accounting Ratios | Annexure V |

4. In our opinion the 'financial information as per audited financial statements' and 'other financial information' as mentioned above read along with the Significant Accounting policies and Notes to Accounts prepared, after making adjustments and regrouping as considered appropriate, have been prepared in accordance with Part II of Schedule II of the Companies Act and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
5. This report should not in any way be construed as a re-issuance or redrafting of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial information referred to herein.
6. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed offer document. Our report should not be used for any other purpose except with our consent in writing.

For Satish Aggarwal & Associates
Chartered Accountants

Satish Aggarwal
Partner
M.No. 082430

Place: New Delhi
Date: 22nd September, 2009

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Annexure I
In Rupees Millions

| PARTICULARS | For the Financial Year ended on |
|---|---------------------------------|
| | 31.03.2009 |
| A. GOODWILL | 10.52 |
| B. FIXED ASSETS | |
| Gross Block | 631.66 |
| Less : Depreciation | 141.19 |
| Net Block | 490.47 |
| Capital Work in Progress | 153.77 |
| Total | 644.24 |
| C. INVESTMENTS | 3.11 |
| D. CURRENT ASSETS, LOAN & ADVANCES | |
| Inventories | 167.46 |
| Sundry Debtors | 500.66 |
| Cash and Bank Balances | 33.13 |
| Loan and Advances | 132.46 |
| Total | 833.71 |
| E. LIABILITIES & PROVISIONS | |
| Secured Loans | 719.35 |
| Unsecured Loans | 23.78 |
| Deferred Tax Liability | 63.04 |
| Current Liabilities | 334.11 |
| Provision for Tax | 6.43 |
| Other Provisions | 10.95 |
| Total | 1,157.66 |
| Net Worth (A+B+C+D-E). | 333.92 |
| REPRESENTED BY | |
| SHARE CAPITAL | |
| F. Equity Share Capital | 137.83 |
| G. RESERVES AND SURPLUS | |
| Reserve & Surplus | 173.94 |
| H. MONIORITY INTEREST | 22.15 |
| Net Worth (F+G+H) | 333.92 |

STATEMENT OF PROFIT & LOSS ACCOUNT, AS RESTATED

Annexure II

In Rupees Millions

| PARTICULARS | For the Financial Year ended on |
|---|---------------------------------|
| | 31.03.2009 |
| A. INCOME | |
| Sales | |
| Gross Sales | 1,221.56 |
| Less: Excise Duty | 8.54 |
| Net Sales | 1,213.02 |
| Service Charges | 64.07 |
| Commission | 107.73 |
| Other Income | 69.83 |
| Total | 1,454.65 |
| B. EXPENDITURE | |
| Cost of Goods Sold | 804.36 |
| Job work & Bought out services | 8.59 |
| Power & Fuel | 6.90 |
| Employees' Cost | 161.52 |
| Administrative & Selling expenses | 217.04 |
| Assets Discarded | - |
| Total | 1,198.41 |
| Profit Before Depreciation, Interest & Tax (A-B) | 256.24 |
| Interest and Finance expenses | 81.03 |
| Profits Before Depreciation & Tax | 175.21 |
| Depreciation | 59.50 |
| Profits Before Tax | 115.71 |
| Less: | |
| Current Year's Tax | 13.08 |
| Deferred Tax Liability | 26.91 |
| Fringe Benefit Tax | 4.45 |
| Wealth Tax | 0.05 |
| Add | |
| MAT Credit | 1.18 |
| Profits After Tax | 72.40 |
| Balance brought forward from Previous Year | 101.30 |
| BALANCE CARRIED TO SUMMARY OF ASSETS & LIABILITIES | 173.70 |

STATEMENT OF CASH FLOWS, AS RESTATED

Annexure III

In Rupees Millions

| PARTICULARS | For the Financial Year ended on |
|--|------------------------------------|
| | 31.03.2009 |
| A. Cash Flow from Operating Activities | |
| Profit before tax | 115.70 |
| Adjustment for: | |
| 1) Depreciation | 59.50 |
| 2) Increase/(Decrease) in provision for after sales service | (46.41) |
| 3) Dividend/Interest income | (0.32) |
| 4) Profit & Loss on sale of fixed assets | - |
| 5) Profit from Sale of Long Term Investment | (0.13) |
| 6) Effect of exchange rate difference on translation of subsidiaries | 0.24 |
| Operating Profit before working capital changes | 128.58 |
| 1) Increase in Sundry Debtors | (63.58) |
| 2) Increase in Inventories | (58.56) |
| 3) Increase in other current assets | (34.50) |
| 4) Increase in current liabilities | 122.18 |
| 5) Direct Taxes Paid | (22.94) |
| Net Cash from Operating activities (A) | 71.18 |
| B) Cash flow from Investing Activities | |
| 1) Purchase of Fixed Assets | (163.70) |
| 2) Proceeds from sale of fixed Assets | 0.04 |
| 3) Proceeds from sale of Long Term Investments | 0.18 |
| 4) Investment Made | (1.09) |
| 5) Dividend/Interest Income | 0.32 |
| Net Cash from Investing Activities (B) | (164.25) |
| C) Cash flow from Financing Activities | |
| 1) Proceeds from borrowings | 101.00 |
| 2) Proceeds from issuance of share Capital/Share Application Money(Minority interest) | 22.15 |
| 3) Increase in Goodwill | (10.51) |
| Net cash used in Financing Activities (C) | 112.64 |
| Net increase in cash and cash equivalents [(A)+(B)+(C)] | 19.57 |
| Cash & Cash equivalent at beginning of the year | 13.56 |
| Cash & Cash equivalent at end of the year | 33.13 |

Note:- Finance charges on long term borrowing has been considered under operating activities.

ANNEXURE IV

NOTES TO SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AS RESTATED FOR PCI LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The Consolidated Financial Statements relates to PCI Group (“the Company”) and its Subsidiary Companies (“the group”). Subsidiaries Companies have been consolidated as per Accounting Standards on Accounting for Consolidated Financial Statements (AS21). The Consolidated Financial Statements have been prepared on the following basis:

- i. Consolidated financial statements have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income & expenses, after eliminating all significant intra-group transactions/balances and unrealized profits in full.
- ii. The difference between the costs of investment in the Subsidiaries over its proportionate share in the net assets value at the time of acquisition of stake in subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be. For this purpose, the company’s share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.
- iii. Minority interest in net profit/loss of the Subsidiaries for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholders of the company. Minority interest in net assets of the subsidiaries is identified and presented separately in Consolidated Financial Statements.
- iv. As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the company’s financial statements.
- v. The financial statements of the entities used for purpose of consolidation are drawn up to the same reporting date as that of the company.
- vi. These Consolidated statement relate to PCI Limited, the parent Company and its subsidiaries, which are as below :

| <i>Name of Company</i> | <i>Country of Incorporation</i> | <i>Percentage of ownership (as on 31/03/2009)</i> |
|--------------------------|---------------------------------|---|
| PCI Europe GmbH | Germany | 100% |
| PCI Asia Pacific Pvt Ltd | Hongkong | 100% |
| Prime Electric Limited | India | 89.29% |

2. Method of Accounting

The financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles.

3. Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual figures and estimates are recognized in the period in which they result / materialize.

4. Revenue Recognition

- i. Revenue from sale of own manufactured goods and trading goods is recognized at the time of transfer of significant risks and reward of ownership to the buyer.

- ii. Income from commission is accounted on the basis of confirmation of order procured on behalf of its principal and of maintenance contracts is accounted for on the basis of invoicing.
- iii. The Company has followed Accounting Standard-7 issued by the Institute of Chartered Accountants of India for recognizing income from construction contracts with reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs incurred are charged to the profit & loss account of the year.
- iv. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

5. Inventories are valued as under :-

- a) Raw materials components, stores and spares: Lower of cost or net realizable value.
- b) Work-in-progress: at cost.
- c) Finished goods: Lower of cost or net realizable value.
- d) Inventories have been valued in accordance with accounting standard on valuation of inventories (AS-2) issued by the Institute of Chartered Accountants of India.
- e) Inventory valued on above basis is certified by the management.

6. Investments:

Long-term investments are stated at cost, less provision for other than temporary diminution in value, if any. Current investments comprising investments in mutual funds are stated at the lower of cost and market value.

7. Depreciation/Amortization:

Depreciation on Building revalued and acquired on amalgamation has been charged according to Accounting Standard (AS 6) issued by the Institute of Chartered Accountants of India. Leasehold land is amortized over the period of 20 years of lease. Depreciation on all other fixed assets has been provided on written down value method at rates and in the manner specified in schedule XIV of the Companies Act. 1956.

8. Fixed Assets:

Fixed assets are stated at cost or at replacement cost in case of revaluation, less accumulated depreciation. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date.

9. Foreign Currency Transactions

- i. The reporting currency of the Company is the Indian Rupee.
- ii. Transactions in Foreign Currency are recorded at the exchange rates prevailing at the time of the transaction. Monetary items denominated in Foreign Exchange at the year-end are translated at year-end rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in profit and loss account.
- iii. Exchange differences arising on translation of non integral foreign operation are accumulated in the foreign currency translation reserve until the disposal of such operations.
- iv. Financial statements of overseas non-integral operations are translated as under:
 - a. Assets and liabilities at the rate prevailing at the end of the year. Depreciation is accounted at the same rate at which assets are converted.
 - b. Revenues and expenses at monthly average exchange rates prevailing during the month.

10. Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and Lease rentals are charged to the Profit and Loss Account on accrual basis.

11. Impairment of assets

As required by Accounting Standard (AS) 28 'Impairment of Assets' notified by the institute of Chartered Accountant of India, the Company has carried out the assessment of impairment of assets. There has been no impairment loss during the restated year.

12. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the costs of such assets. All other borrowing costs are charged to Profit and Loss Account in the period in which they are incurred.

13. Employees Benefits:**(i) Defined Contribution Plan**

The Company makes defined contribution of Provident Fund and Employee State Insurance Scheme, which are recognized in the Profit and Loss Account on accrual basis.

(ii) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act, 1971 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized in the statement of the Profit and Loss Account as income or expense.

No provision for leave encashment has been made in accordance with the present policy of the company.

14. Taxation

Tax on income for the resated period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax is recognized as an asset in the respective Balance Sheets. Provision of Fringe Benefit Tax shown in the Financial Statement has been estimated in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year as on the Balance Sheet date.

NOTES ON ACCOUNTS**1 Share Capital :**

Share Capital includes 92,05,249 equity shares of Rs. 10/- each fully paid up bonus shares by capitalization of reserves and surplus which includes Rs. 1,92,33,758 capitalized by utilization of Capital & Revaluation Reserves based on Supreme Court judgment and 42,45,000 equity shares of Rs. 10 each, issued as fully paid up for a consideration other than in cash.

2 Micro Small disclosure

None of the suppliers has responded to the communication made to the Company in view of which information in respect of amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. It is not feasible of being reported.

3 NOTES ON ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS**a) Summary**

The reconciliation of Consolidated Profit after Tax as per Audited Results and the Consolidated Profit after Tax as per Restated Accounts is presented below in Table – 1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit and loss:

TABLE 1

In Rupees Millions

| PARTICULARS | For the Financial Year ended on 31.03.2009 |
|--|---|
| | |
| Consolidated Profit After Tax (PAT) as per Audit Accounts | 74.25 |
| Adjustments for: | |
| Excess Deferred Tax Expense Recognized | (1.78) |
| Treatment of Prior period Intangible Assets | 5.23 |
| Prior Period Income Adjustment | (3.94) |
| Provision for Taxes | (1.35) |
| Consolidated Profit After Tax as Restated | 72.40 |

b) Current Tax and Deferred Tax impact on restatement

The profit and loss account of some years include amounts paid/ provided for or refunded back/written back, in respect of excess or shortfall income tax arising out of income tax appeals, assessments etc. which has now been adjusted in the respective years' tax liability.

c) Prior Period Adjustments

The profit and loss account of all the financial years included some Prior Period Adjustments relating to the earlier years. The said adjustments have been adjusted in the respective years as is apparent from Table – 1. Similarly the provision for employees' emoluments expenses has been recognised in the year of incurrence.

The Company has not treated any advertisement expenditure as deferred revenue expenditure during the Financial Year 2008-09 to comply with AS-26. Further, the deferred revenue expenditure of earlier years has been restated.

The effect of above changes relating to the period prior to the financial year 2008-09 has been adjusted to the opening reserve & surplus as on 01.04.2008.

d) Material Regroupings

Appropriate adjustments, wherever material, have been made in the Restated Summary Statements of Assets and Liabilities, Profits and losses, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in consonance with the groupings as per the Audited Financials of the Company for the financial year ended on 31st March 2009 and the requirements of the guidelines issued by the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines, 2000) as amended from time to time.

e) Dividend

The Company has not declared any Dividend during the periods reported in the Restated Accounts.

4 Auditors' Qualifications

The Auditor has not stated any audit qualification matters.

For Satish Aggarwal & Associates
Chartered Accountants

Satish Aggarwal
Partner
M.No. 082430

Place: New Delhi
Date: 22nd September, 2009

STATEMENT OF ACCOUNTING RATIOS

Annexure V
In Rupees Millions

| PARTICULARS | For the Financial Year ended on |
|---|---------------------------------|
| | 31.03.2009 |
| Net Worth (Rs. Millions) | 333.92 |
| Restated Earnings attributable to Equity Share Holders (Rs. Millions) | 72.40 |
| No. of Equity Shares outstanding at the end of period | 13,782,749 |
| Weighted Average no. of Equity Shares outstanding during the year/period | 13,782,749 |
| Earnings Per Share (EPS) (Face Value Rs. 10/-each) Basic Earnings per share (Rs.) | 5.25 |
| Return on Net Worth (%) | 21.68% |
| Net Assets Value per share of Rs. 10/-each | 24.23 |

Formula:

Earning Per Share (Rs.) = Net Profit After Tax / Weighted No. of Equity Shares

Return on Net Worth (%) = Net Profit After Tax / Net Worth

Net Assets Value (Rs.) = Net Worth / No. of Equity Shares

FINANCIAL INDEBTEDNESS

The principal terms of loans and assets charged as security as on August 31, 2009

(Rs. in millions)

| Name of Lender | Purpose | Sanction Amount | Rate of interest | Securities offered | Re-payment | Moratorium | Outstanding amount |
|----------------------|--|----------------------|--------------------|---|------------|--|--------------------|
| Secured Loans | | | | | | | |
| Punjab National Bank | Working Capital – Fund based | 180.00 + 10.00 adhoc | BPLR-1.25% | Charge on Stock, Book Debts & Machine not financed by any banker, personal guarantee of promoters & equitable mortgage of immovable properties. | - | Nil | 185.98 |
| | Working Capital – Non Fund based | 360.00 | - | | - | Nil | 349.21 |
| Canara Bank | Working Capital – Fund based | 120.00 | BPLR-1.25% | Personal guarantee of promoters & equitable mortgage of immovable properties. | - | Nil | 119.62 |
| | Working Capital – Non Fund based | 240.00 | - | | - | Nil | 73.10 |
| Punjab National Bank | Corporate Loan | 60.00 | BPLR+0.5% TP-1.50% | Personal guarantee of promoters & equitable mortgage of immovable properties | 60 months | Nil | 27.00 |
| Punjab National Bank | Term Loan – Windmill | 235.00 | BPLR+0.5% TP-1.50% | Personal guarantee of promoters & equitable mortgage of Wind Mills | 108 Months | 1 year from the date of disbursement | 204.62 |
| Punjab National Bank | Term Loan – Building Udyog Vihar | 238.00 | BPLR+0.5% TP-1.50% | Personal guarantee of promoters & equitable mortgage of immovable properties of Udyog Vihar | 72 Months | 2 years from the date of first drawl or January 2010 | 186.49 |
| SIDBI | Term Loan – Building and Plant and Machinery | 39.00 | 9.50% | Personal guarantee of promoters & equitable mortgage of immovable properties and Fixed Assets of IMT Manesar | 72 Months | 18 months from the date of first disbursement | 22.11 |
| SIDBI | Working Capital Loan - For | 5.00 | 13.00% | Personal guarantee of promoters & | 50 Months | 1 year from the date of first disbursement | 4.70 |

| Name of Lender | Purpose | Sanction Amount | Rate of interest | Securities offered | Re-payment | Moratorium | Outstanding amount |
|--------------------------------|--|-----------------|------------------|--|------------|--|--------------------|
| | unforeseen/emergent business expenditure | 5.00 | 12.50% | equitable mortgage of immovable properties and Fixed Assets of IMT Manesar | 50 months | 5 months from the date of first disbursement | 5.00 |
| | | 25.00 | 12.50% | | 54 months | 6 months from the date of first disbursement | 25.00 |
| Punjab Kashmir Ltd | Loan against equipment | 2.33 | 13.76% | Hypothecation of equipments or machines | 60 months | Nil | 0.45 |
| Orix Infrastructure Ltd | Machinery | 4.45 | 13.50% | | 48 months | Nil | 2.93 |
| | Equipment | 2.08 | 17.00% | | 36 months | Nil | 1.75 |
| | Machinery | 2.09 | 17.00% | | 36 months | Nil | 1.95 |
| ICICI Bank | Loan against vehicle | 16.73 | 8.22% | Hypothecation of vehicles | 60 months | Nil | 5.70 |
| HDFC Bank | Loan against vehicle | 0.90 | 9.25% | Hypothecation of vehicles | 60 months | Nil | 0.51 |
| Kotak Mahindra Prime Limited | Loan against vehicle | 3.14 | 11.64% | Hypothecation of vehicles | 60 months | Nil | 2.14 |
| Tata Motors Finance Limited | Loan against vehicle | 0.31 | 12.50% | Hypothecation of vehicles | 48 months | Nil | 0.30 |
| Unsecured Loans | | | | | | | |
| ABN Amro Bank | Business Loan | 3.00 | 17.50% | Unsecured | 36 Months | Nil | 2.68 |
| Barclays Bank | Business Loan | 3.50 | 16.00% | Unsecured | 36 Months | Nil | 2.05 |
| HDFC Bank | Business Loan | 3.00 | 16.00% | Unsecured | 36 Months | Nil | 1.84 |
| Standard Chartered Bank | Business Loan | 3.00 | 16.00% | Unsecured | 36 Months | Nil | 1.75 |
| Bajaj Auto Finance Ltd | Business Loan | 2.00 | 19.14% | Unsecured | 24 Months | Nil | 1.62 |
| Reliance Capital Ltd | Business Loan | 3.00 | 16.50% | Unsecured | 36 Months | Nil | 1.77 |
| Religare Finvest Ltd | Business Loan | 2.50 | 19.12% | Unsecured | 18 Months | Nil | 1.85 |

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited restated financial statements under Indian GAAP including the schedules, annexure and notes thereto and the reports thereon, which appear in this Draft Red Herring Prospectus beginning on page [●]. You are also advised to read the Section titled "Risk Factors" beginning on page [●] of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. Unless otherwise stated, the financial information used in this Section is derived from our audited standalone financial statements under Indian GAAP, as restated. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the 12-month period ended March 31 of that year.

We are a diversified multi activity company primarily in the business of providing hi-tech power equipments, systems and test instrumentation which find applications in power and energy, telecom, railways, aviation, aerospace, and other allied industries. We undertake project execution which entails value addition to import contents and thereafter the installation, commissioning and as well as maintenance during warranty period and subsequently by way of Annual Maintenance Contracts (AMC's) due to exclusive and technical nature of the products offered to our clients. In most cases, the value addition, assembly and installation is carried out at the project site of our customers. The company also has a manufacturing facility at IMT Manesar, Gurgaon for manufacturing of precision engineering turbine parts and investment casting components and products. In addition, this manufacturing facility is also producing electronic testing and measuring instruments and is in the process of developing energy saver LED based lighting systems.

Our key customers includes Public & Private Power Utilities and power generation & transmission companies, various state electricity boards, Public Sector Undertakings, Transmission companies, leading Transformer and Power Plant equipment manufacturers and Railways. Some of our regular and repeat customers include leading companies like Bharat Heavy Electricals Limited (BHEL), Power Grid Corporation India Limited, NTPC Limited, Indian Space Research Organization (ISRO), Siemens Limited, Nokia India Private Limited, Jindal Power Limited, Tata Power Co. Limited, Crompton Greaves Limited, L&T Limited, K S Oils Limited, Bhushan Power & Steel Limited, etc. Amongst State Electricity Boards our major customers are Karnataka Power corporation Limited, Maharashtra State Electricity Transmission Board, Bihar State Electricity Board, Assam Electricity Grid Corporation Limited, Chattisgarh State Electricity Board etc.

We have tie ups and have entered into agreements with some of the leading manufacturers abroad for the hi-tech import content from whom we source the equipments to cater to the technological solution based requirements of our clients for critical inputs which enable them to optimize their production efficiency while minimizing costs. Our core competence lies in meticulous identification of highly technical equipments and maintaining high standards of pre and post sales service. Certain of our major foreign associates from whom we import technical products and who form our top principals as per import value in financial year 2008-2009 are RPS S.p.a; Italy (formerly known as Aros S.r.l), Lindsey Manufacturing Co., USA; SebaKMT, Germany, FLIR Systems Inc, Sweden; Piller Germany GmbH & Co. KG, Germany, General Electric, Canada;; etc.

We also undertake execution of projects mainly relating to sub-station erection on turnkey basis. Currently we are executing an state of the art Coil Spring manufacturing unit for the Indian Railways at Gwalior in collaboration with M/s Bumar, a government of Poland Company. We have also forayed in to Power Generation by setting up of wind farm with power generation capacity of 4.50 MW at Kutch in Gujarat.

We are in the process of setting up a Transformer manufacturing project with installed capacity of 10000 MVA / 400 KV in a SEZ in district Nellore, Andhra Pradesh through our subsidiary, Prime Electric Limited. For details of this project please refer to the section titled "Objects of the Issue" on page [●] of this Draft Red Herring Prospectus.

At times, due to requirement of the customer to import directly from manufacturer abroad, we book the orders directly in the name of our foreign suppliers who then make direct delivery to our customers in India against direct payments. In all such cases, our company gets a net commission as our share of profit, which varies from case to case. This income gets reflected in our profit & loss account as net profit but the amount of sale transaction is not added in our sales turnover even if the complete transaction is like a normal project sale except that the delivery of the goods is directly made by our foreign supplier to our Indian customer. Our involvement in each such transaction is exactly the same as in the case of a local sale made by us.

SEGEMENT INFORMATION

A) PRIMARY SEGMENTS

| PARTICULARS | As AT 31.03.2009 | | As AT 31.03.2008 | | As AT 31.03.2007 | |
|--|------------------|----------------|------------------|----------------|------------------|----------------|
| <u>SEGEMENT REVENUE</u> | | | | | | |
| Equiptmens | 1,152.91 | 83.46% | 1,033.46 | 88.73% | 655.26 | 84.79% |
| (b) Commission income | 107.73 | 7.80% | 65.17 | 5.60% | 86.08 | 11.14% |
| (c) Precision Engg. & Casting | 90.39 | 6.54% | 70.68 | 6.07% | 34.10 | 4.41% |
| (d) wind Mill | 32.96 | 2.39% | 0.82 | 0.07% | - | 0.00% |
| (e) Unallocated | 0.44 | 0.03% | - | 0.00% | - | 0.00% |
| Total | 1,384.44 | 100.22% | 1,170.12 | 100.47% | 775.44 | 100.34% |
| LESS-INTER SEGEMENT REVENUE | 3.04 | 0.22% | 5.46 | 0.47% | 2.66 | 0.34% |
| <u>NET SEGEMENT REVENUE</u> | 1,381.40 | 100.00% | 1,164.66 | 100.00% | 772.78 | 100.00% |
| <u>SEGMENT RESULT BEFORE INTEREST & TAXES</u> | | | | | | |
| Equiptmens | 159.01 | 11.51% | 150.66 | 12.94% | 50.86 | 6.58% |
| (b) Commission income | 35.30 | 2.56% | 25.32 | 2.17% | 13.57 | 1.76% |
| (c) Precision Engg. & Casting | (4.15) | -0.30% | (15.71) | -1.35% | (18.61) | -2.41% |
| (d) wind Mill | (5.01) | -0.36% | (0.77) | -0.07% | - | 0.00% |
| (e) Unallocated | 0.44 | 0.03% | - | 0.00% | - | 0.00% |
| Total | 185.59 | 13.43% | 159.51 | 13.70% | 45.83 | 5.93% |

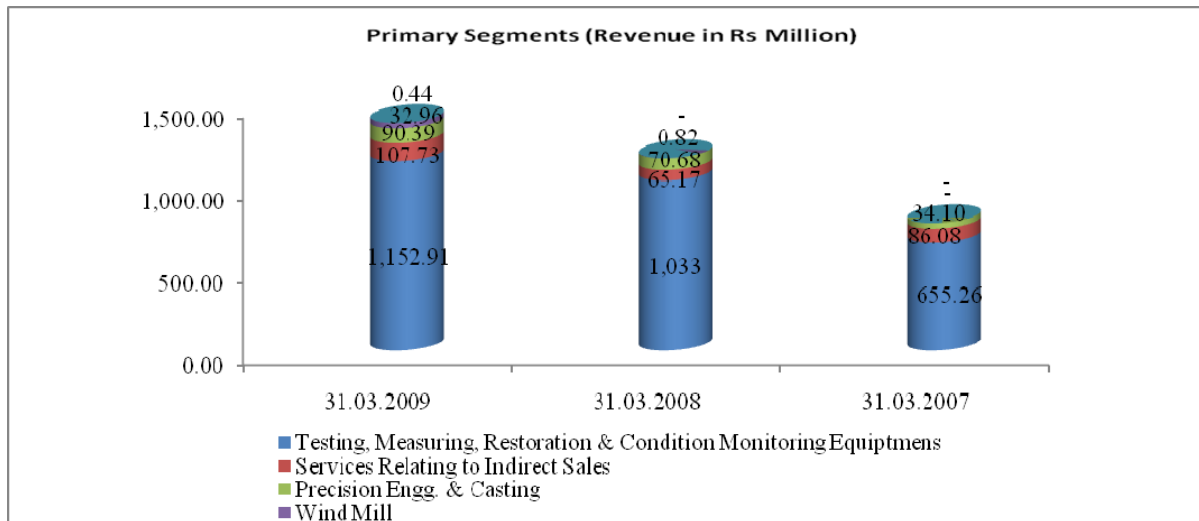
Our past revenues predominantly came from Testing, Measuring and Condition Monitoring Equipments which constituted 84.79% of total revenue mix in FY 2006-07. This increased to 88.73% in FY 2007-08. In absolute terms, it increased from Rs 655.26 million to Rs 1,033.46 million in fiscal 2008. It further increased to Rs 1,152.91 million in FY 2008-09, however in percentage terms it reduced from 88.73% of net revenues in FY 2007-08 to 83.46% of net revenues in 2008-09. The same was due to higher revenue contribution from other segmental activities of the Company. In FY 2008-09, we have strengthened our other business segments and they constituted 16.54% of net segment revenue as compared to 11.27% of the net segment revenue in the FY 2007-08.

Net segment revenue from commission increased from 5.60% of net segment revenue in the FY 2007-08 (aggregating Rs. 65.17 million) to 7.80% of the net segment revenue in the FY 2008-09 (aggregating Rs. 107.73 million). The segment result before interest and taxes from commission increased from 2.17% of net segment revenue in FY 2007-08 (aggregating Rs. 25.32 millions) to 2.56% of net segment revenue in FY 2008-09 (aggregating Rs. 35.30 millions).

The loss under segment results before interest and taxes from windmill operations reduced from (2.41)% of net segment revenue in FY 2006-07 to (0.30)% of net segment revenue in the FY 2008-09.

The operations of windmill commenced from the end of financial year 2007-08. Because of the higher investment cost and resultant interest burden, the segment results before interest and taxes are negative. The energy generated by these mills is considered to be green energy as per Kyoto Protocol and UNFCCC Regulations which entitles us to get carbon credits through clean development mechanism of UNFCCC. The Company is in the process of obtaining the accreditation from the UNFCCC.

The growth in various segments is highlighted below:



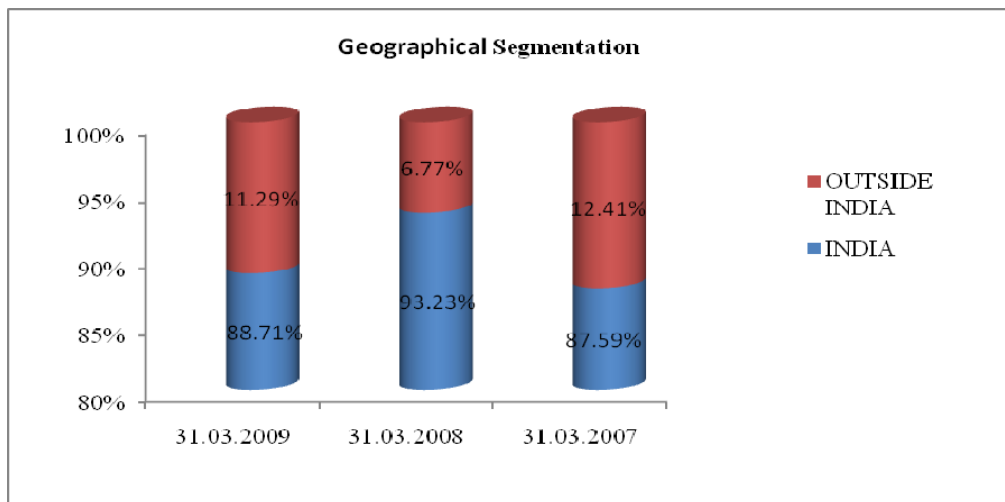
Our Geographical Presence

SEGEMENT INFORMATION

B) SECONDARY SEGMENTS

i) REVENUE AS PER GEOGRAPHICAL MARKETS

| PARTICULARS | As AT 31.03.2009 | | As AT 31.03.2008 | | As AT 31.03.2007 | |
|---------------|------------------|----------------|------------------|----------------|------------------|----------------|
| INDIA | 1,225.49 | 88.71% | 1,085.80 | 93.23% | 676.85 | 87.59% |
| OUTSIDE INDIA | 155.91 | 11.29% | 78.86 | 6.77% | 95.94 | 12.41% |
| TOTAL | 1,381.40 | 100.00% | 1,164.66 | 100.00% | 772.78 | 100.00% |



We are a diversified multi activity company primarily in the business of providing hi-tech power equipments, systems and test instrumentation which find applications in power and energy, telecom, railways, aviation, aerospace, and other allied industries. Our key customers in domestic market includes Public & Private Power Utilities and power generation & transmission companies, various state electricity boards, Public Sector Undertakings, Transmission companies, leading Transformer and Power Plant equipment manufacturers and Railways.

We are presently exporting investment casting (as per customer specifications) to our customer in Germany which are used for assembly of different types of industrial caters and industrial safety devices. Further we also export various prosthetic and orthotic products like sach foot, aqua limb foot, manufactured by us besides the tools for production and fabrication of artificial limbs. During the financial year 2008-09, our export turnover in was Rs. 48.18 millions and commission earned in foreign currency on the sales made by our principals to our customers on the basis of our orders was Rs. 107.73 millions. Presently we do not have any export obligation.

RESTATED STATEMENT OF PROFIT & LOSS ACCOUNT

In Rupees Millions

| PARTICULARS | For the Financial Year ended on | | | | | | | |
|---|---------------------------------|----------------|-----------------|----------------|---------------|----------------|---------------|----------------|
| | 31.03.2009 | | 31.03.2008 | | 31.03.2007 | | 31.03.2006 | |
| | Amount | %age | Amount | %age | Amount | %age | Amount | %age |
| A. INCOME | | | | | | | | |
| Sales | | | | | | | | |
| Gross Sales | 1,148.48 | | 976.52 | | 550.27 | | 428.86 | |
| Less: Excise Duty | 8.54 | | 6.15 | | 2.18 | | 0.69 | |
| Sales Return | - | | - | | - | | 0.01 | |
| Net Sales | 1,139.94 | 82.52% | 970.37 | 83.32% | 548.09 | 70.92% | 428.16 | 76.65% |
| Service Charges | 64.07 | 4.64% | 36.85 | 3.16% | 36.34 | 4.70% | 25.49 | 4.56% |
| Commission | 107.73 | 7.80% | 65.17 | 5.60% | 86.08 | 11.14% | 64.18 | 11.49% |
| Other Income | 69.66 | 5.04% | 92.27 | 7.92% | 102.27 | 13.23% | 40.76 | 7.30% |
| Total | 1,381.40 | 100.00% | 1,164.66 | 100.00% | 772.78 | 100.00% | 558.59 | 100.00% |
| B. EXPENDITURE | | | | | | | | |
| Cost of Goods Sold | 748.52 | 54.19% | 532.88 | 45.75% | 393.97 | 50.98% | 276.27 | 49.46% |
| Job work & Bought out services | 8.59 | 0.62% | 5.70 | 0.49% | 5.01 | 0.65% | 1.21 | 0.22% |
| Power & Fuel | 6.90 | 0.50% | 9.69 | 0.83% | 4.82 | 0.62% | 0.95 | 0.17% |
| Employees' Cost | 159.13 | 11.52% | 123.96 | 10.64% | 87.03 | 11.26% | 61.03 | 10.93% |
| Administrative & Selling expenses | 213.18 | 15.43% | 261.03 | 22.41% | 141.13 | 18.26% | 115.39 | 20.66% |
| Assets Discarded | - | 0.00% | 3.29 | 0.28% | - | 0.00% | - | 0.00% |
| Provision for after sales service expenses | - | 0.00% | 46.41 | 3.98% | 75.61 | 9.78% | 59.92 | 10.73% |
| Total | 1,136.32 | 82.26% | 982.96 | 84.40% | 707.57 | 91.56% | 514.77 | 92.16% |
| Profit Before Depreciation, Interest & Tax (A-B) | 245.08 | 17.74% | 181.70 | 15.60% | 65.21 | 8.44% | 43.82 | 7.84% |
| Interest and Finance expenses | 80.20 | 5.81% | 41.95 | 3.60% | 35.14 | 4.55% | 19.95 | 3.57% |
| Profits Before Depreciation & Tax | 164.88 | 11.94% | 139.75 | 12.00% | 30.07 | 3.89% | 23.87 | 4.27% |
| Depreciation | 59.49 | 4.31% | 22.20 | 1.91% | 19.38 | 2.51% | 10.59 | 1.90% |
| Profits Before Tax | 105.39 | 7.63% | 117.55 | 10.09% | 10.69 | 1.38% | 13.28 | 2.38% |
| Less: | | | | | | | | |
| Current Year's Tax | 11.30 | 0.82% | 10.18 | 0.87% | 5.20 | 0.67% | 4.20 | 0.75% |
| Deferred Tax Liability | 26.91 | 1.95% | 33.19 | 2.85% | 0.35 | 0.05% | 0.15 | 0.03% |
| Fringe Benefit Tax | 4.45 | 0.32% | 3.87 | 0.33% | 2.83 | 0.37% | 3.27 | 0.59% |
| Wealth Tax | 0.05 | 0.00% | 0.03 | 0.00% | 0.02 | 0.00% | 0.01 | 0.00% |
| Add | | | | | | | | |
| MAT Credit | 1.18 | -0.09% | 3.05 | -0.26% | - | 0.00% | - | 0.00% |
| Profits After Tax | 63.86 | 4.62% | 73.33 | 6.30% | 2.29 | 0.30% | 5.65 | 1.01% |

%age has been calculated with total revenues as the base for aforesaid calculations.

Comparison of the financial year 2008-09 with financial year 2007-08

Income

Our total revenues increased from Rs 1,164.66 million in FY 2007-08 to Rs 1,381.40 million in FY 2008-09, an increase of 18.60% on account of continued growth in the Indian Power Sector. Out of this, our net sales increased from Rs 970.37 million in FY 2007-08 to Rs 1,139.94 million in FY 2008-09. It constituted 82.52% of the total income. We strengthened our other business verticals including annual maintenance contract business. The income from service charges grew from Rs 36.85 million in FY 2007-08 to Rs 64.07 million in FY 2008-09. Our commission income also increased by 65.30% on y-o-y basis from Rs. 65.17 million in FY 2007-08 to Rs. 107.73 million in FY 2008-09. Other income declined from Rs 92.27 million to Rs 69.66 million.

Expenditure

We exercised greater control and thereby kept overall costs in check. The total costs as a percentage of total income decreased from 84.40% in FY 2007-08 to 82.26% in FY 2008-09. The same was due to increase operation efficiency and cost saving measures adopted by the Company during the period. The cost of goods sold was the major head which increased from Rs 532.88 million in FY 2007-08 to Rs 748.52 million in FY 2008-09 on account of increased cost of purchases and depreciation of domestic currency vis-à-vis foreign currency. There was a marginal increase in job work charges which increased from Rs 5.70 million in FY 2007-08 to Rs 8.59 million in FY 2008-09 and constituted only 0.62% of the total revenues in FY 2008-09. Power and fuel costs declined from Rs 9.69 million to Rs 6.90 million and constituted just 0.50% of total revenue in FY 2008-09.

Employee Cost

The employee cost marginally increased from 10.64% of the total revenues (aggregating Rs. 123.96 million) in the FY 2007-08 to 11.52% of the total revenues (aggregating Rs. 159.13 million) in the FY 2008-09.

Administrative & Selling Expenses

The administrative and selling expenses have reduced from 22.41% of the total revenues in FY 2007-08 (aggregating to Rs. 261.03 millions) to 15.43% of total revenue in FY 2008-09 (aggregating to Rs. 213.18 millions) because of cost saving measures implemented by the Company and reduced marketing expenditure.

Provision for after sales service expenses

The Company has discontinued the policy of creating provision for after sales service expenses because of negligible expenditure incurred.

Profit before Interest, Depreciation and Tax (PBDIT)

PBDIT increased from 15.60% in FY 2007-08 (aggregating Rs. 181.70 millions) to 17.74% in FY 2008-09 (aggregating to Rs. 245.08 millions).

Interest

Our interest liability increased from 3.60% of total revenues in FY 2007-08 (aggregating Rs. 41.95 millions) to 5.81% of the total revenues in FY 2008-09 (aggregating Rs. 80.20 millions) because of increased borrowings and higher interest rates during the year.

Depreciation

The Depreciation increased from 1.91% of the total revenues in FY 2007-08 (aggregating Rs. 22.20 million) to 4.31% in FY 2008-09 (aggregating Rs. 59.49 million) because of higher capital expenditure especially windmills which became operation in the end of FY 2007-08.

Profit

Our PBT margin reduced from 10.09% of the total revenues in FY 2007-08 (aggregating Rs. 117.55 million) to 7.63% in FY 2008-09 (aggregating Rs. 105.39 million) due to higher interest / financial charges and depreciation. The PAT reduced from 6.30% of the total revenues in FY 2007-08 (aggregating Rs. 73.33 million) to 4.62% in FY 2008-09 (aggregating Rs. 63.86 million).

Comparison of the financial year 2007-08 with financial year 2006-07

Income

Our total revenues increased from Rs 772.78 million in FY 2006-07 to Rs 1,164.66 million in FY 2007-08, an increase of 50.71% on account of overall growth in the Indian Power Sector. Out of this, our net sales increased from Rs 548.09 million in FY 2006-07 to Rs 970.37 million in FY 2007-08. It constituted 83.32% of the total income in FY 2007-08 against 70.92% in FY 2006-07. The income from service charges reduced from 4.70% in FY 2006-07 (aggregating Rs. 36.34 million) to 3.16% in FY 2007-08 (aggregating Rs. 36.85 million). The commission income reduced from 11.14% in FY 2006-07 (aggregating Rs. 86.08 million) to 5.60% in FY 2007-08 (aggregating Rs. 65.17 million). Though the

income from service charges and commission reduced in percentage terms to the total revenue, the same were higher in absolute terms on year-on-year basis.

The sales as a percentage to total revenue was higher during the FY 2007-08 as compared to FY 2006-07 because of higher demand for hi-tech equipments required by various companies operating in the Power Sector in India owing to expansion of their operation. Other income reduced from 13.23% in FY 2006-07 (aggregating Rs. 102.27 million) to 7.92% in FY 2007-08 (aggregating Rs. 92.27 million). The same has reduced because of lower amount written back on provisions for after sales service.

Expenditure

The total costs as a percentage of total income decreased from 91.56% in FY 2006-07 to 84.40% in FY 2007-08. The total costs reduced due to economies of scale achieved as a result of higher business volumes. The cost of goods sold reduced from 50.98% in FY 2006-07 (aggregating to Rs. 393.97 millions) to 45.75% in FY 2007-08 (aggregating Rs. 532.88 millions) mainly because of appreciated Indian currency vis-à-vis foreign currency. There was a marginal increase in job work charges which increased from Rs 5.01 million in FY 2006-07 to Rs 5.70 million in FY 2007-08 and constituted only 0.49% of the total revenues in FY 2007-08. Power and fuel costs increased from Rs 4.82 million in FY 2006-07 to Rs 9.69 million in FY 2007-08 and constituted 0.50% of total revenue in FY 2007-08.

Employee Cost

The employee cost accounted for marginally reduced from 11.26% of the total revenues (aggregating Rs. 87.03 million) in the FY 2006-07 to 10.64% of the total revenues (aggregating Rs. 123.96 million) in the FY 2007-08.

Administrative & Selling Expenses

The administrative and selling expenses have increased from 18.26% of the total revenues in FY 2006-07 (aggregating to Rs. 141.13 millions) to 22.41% of total revenue in FY 2007-08 (aggregating to Rs. 261.03 millions) because of higher cost incurred on marketing of the products dealt in by our Company.

Provision for after sales service expenses

The provision for after sales service expenses decreased from 9.78% in FY 2006-07 (aggregating Rs. 75.61 millions) to 3.98% in FY 2007-08 (aggregating Rs. 46.41 millions). The Company has not incurred any major expenditure over the after sales service. Hence the provision on the same was reduced.

Profit before Interest, Depreciation and Tax (PBDIT)

PBDIT increased from 8.44% in FY 2006-07 (aggregating Rs. 65.21 millions) to 15.60% in FY 2007-08 (aggregating to Rs. 181.70 millions).

Interest

Our interest liability reduced from 4.55% of total revenues in FY 2006-07 (aggregating Rs. 35.14 millions) to 3.60% of the total revenues in FY 2007-08 (aggregating Rs. 41.95 millions). The interest liability was lower vis-à-vis the loans outstanding as on March 31, 2008 because majorit of the loans were availed during the year for which the re-payment schedule had not commenced.

Depreciation

The Depreciation reduced from 2.51% of the total revenues in FY 2006-07 (aggregating Rs. 19.38 million) to 1.91% in FY 2007-08 (aggregating Rs. 22.20 million). The depreciation was lower as there was no fresh capital expansion. As the operations of windmills commenced at the end of the financial year 2007-08, there was negligible effect on Depreciation.

Profit

Our PBT margin increased from 1.38% of the total revenues in FY 2006-07 (aggregating Rs. 10.69 million) to 10.09% in FY 2007-08 (aggregating Rs. 117.55 million) due to increased margin because of higher scale of operations. The tax liability increased from 1.08% in 2006-07 to 3.79% in 2007-08 because of higher deferred tax liability on account of investment and commissioning of windmill operations during the year.

The PAT increased from 0.30% of the total revenues in FY 2006-07 (aggregating Rs. 2.29 million) to 6.30% in FY 2007-08 (aggregating Rs. 73.33 million).

Comparison of the financial year 2006-07 with financial year 2005-06

Income

Our total revenues increased from Rs 558.59 million in FY 2005-06 to Rs 772.78 million in FY 2006-07, an increase of 38.34%. Out of this, our net sales increased from Rs 428.16 million in FY 2005-06 to Rs 548.09 million in FY 2006-07. It constituted 70.92% of the total income in FY 2006-07 against 76.65% in FY 2005-06. The income from service charges increased marginally from 4.56% in FY 2005-06 (aggregating Rs. 25.49 million) to 4.70% in FY 2006-07 (aggregating Rs. 36.34 million). The commission income reduced marginally from 11.49% in FY 2005-06 (aggregating Rs. 64.18 million) to 11.14% in FY 2006-07 (aggregating Rs. 86.08 million). Other income increased from 7.30% in FY 2006-07 (aggregating Rs. 40.76 million) to 13.23% in FY 2006-07 (aggregating Rs. 102.27 million). The same has increased because of lower amount written back on provisions for after sales service.

Expenditure

The total costs as a percentage of total income decreased marginally from 92.16% in FY 2005-06 to 91.56% in FY 2006-07. The cost of goods sold increased marginally from 49.46% in FY 2005-06 (aggregating to Rs. 276.27 millions) to 50.98% in FY 2006-07 (aggregating Rs. 393.97 millions). The job work charges increased from Rs 1.21 million in FY 2005-06 to Rs 5.01 million in FY 2006-07 and constituted 0.65% of the total revenues in FY 2006-07. Power and fuel costs increased from Rs 0.95 million in FY 2005-06 to Rs 4.82 million in FY 2006-07 and constituted 0.62% of total revenue in FY 2006-07.

Employee Cost

The employee cost accounted for marginally increased from 10.93% of the total revenues (aggregating Rs. 61.03 million) in the FY 2005-06 to 11.26% of the total revenues (aggregating Rs. 87.03 million) in the FY 2006-07.

Administrative & Selling Expenses

The administrative and selling expenses have reduced from 10.73% of the total revenues in FY 2006-07 (aggregating Rs. 115.39 millions) to 8.26% of the total revenues in FY 2006-07 (aggregating to Rs. 141.13 millions).

Provision for after sales service expenses

The provision for after sales service expenses decreased marginally from 10.73% in FY 2005-06 (aggregating Rs. 59.92 millions) to 9.78% in FY 2006-07 (aggregating Rs. 75.61 millions).

Profit before Interest, Depreciation and Tax (PBDIT)

PBDIT increased from 7.84% in FY 2005-06 (aggregating Rs. 43.82 millions) to 8.44% in FY 2006-07 (aggregating to Rs. 65.21 millions).

Interest

Our interest liability increased from 3.57% of total revenues in FY 2005-06 (aggregating Rs. 19.95 millions) to 4.55% of the total revenues in FY 2006-07 (aggregating Rs. 35.14 millions) because of increased borrowings.

Depreciation

The Depreciation increased from 1.90% of the total revenues in FY 2005-06 (aggregating Rs. 10.59 million) to 2.51% in FY 2006-07 (aggregating Rs. 19.38 million).

Profit

Our PBT margin reduced from 2.38% of the total revenues in FY 2005-06 (aggregating Rs. 13.28 million) to 1.38% in FY 2006-07 (aggregating Rs. 10.69 million) due to increased finance / interest charges and

depreciation. The PAT reduced from 1.01% of the total revenues in FY 2006-06 (aggregating Rs. 5.65 million) to 0.30% in FY 2006-07 (aggregating Rs. 2.29 million).

MATERIAL DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of our Board, there have not arisen since the date of the last financial statements i.e. March 31, 2009, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next 12 months.

RELATED PARTY TRANSACTIONS

For details please refer to the discussion in the section titled “Financial Statements” on page [●] of this Draft Red Herring Prospectus.

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, Promoter group companies and there are no defaults, non-payment or overdue of statutory dues, institutional/bank dues and dues payable to holders of any debentures, bonds and fixed deposits, other unclaimed liabilities against our Company or Directors or Promoters or Promoter group companies and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors and our Promoters. Further, except as stated herein, there are no cases of litigations, defaults, etc. in respect of companies/firms/ventures with which the Promoter were associated in the past but are no longer associated, in respect of which the name(s) of the Promoter continues to be associated with those litigation(s).

A. Civil Cases – filed by our Company

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|--|--------------------------|--|------------------------------------|---|
| 1. | PCI Limited ...plaintiff Vs. More store (C/o Aditya Birla Retail Limited)defendant Suit No. 332 of 2008 | Senior Civil Judge Delhi | The Company has filed a suit seeking permanent injunction against defendant from installing permanent barriers in the common parking areas and not to carry out their loading/ un-loading activities at common parking area annexed to the property at 11/5-B, Pusa Road, New Delhi- 110005 during the office hours. The Company has also prayed for an order of restraint whereby the defendant would not have the right to interfere in the Company's right to use the common parking area of the building. The company had filed an interlocutory application under Order XXXIX of Code of civil Procedure, 1908 wherein it had sought temporary injunction against the defendants from carrying out its business activities and also from installing barriers in the common parking area. The said application has been disposed off. | Suit seeking permanent injunction. | The Ld. Court vide order dated 26.02.2009 directed the defendant's not to install any barriers in the common parking area during the pendency of the suit. The matter is listed for 11.01.2010 for Plaintiff's evidence. |

B. Civil Cases - filed against our Company

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|--|------------------|---|--|---|
| 1. | Delta Energy Systems (India) Private LimitedPlaintiff Vs. 1) PCI Limited | Delhi High Court | Plaintiff has filed a suit for recovery of Rs. 36,28,322/- along with interest. The plaintiff had supplied certain power supply systems to be used in the auxiliary power supply system of defendant no. 2 eastern region system coordination and control project. Defendant having | Recovery of Rs. 36,28,322/- along with interest at the rate of 18% per annum. The Company has sought a relief of | The matter is listed on 04.11.2009 for arguments on the application under Order I Rule 10 of CPC. |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|---|-------|---|---|------------------------------|
| | ...defendant no.1 2) Power Grid Corporation....defendant no 2 C.S. (O.S.) No1760 of 2007 | | obtained and used the system has failed to make payments outstanding in favour of the Plaintiff and hence the present suit has been filed. The Company has filed a written statement wherein it has denied all the allegations and claim of the plaintiff. The company has also filed a counter claim against the plaintiff on the ground that the Company has incurred expenditure on account of honoring its commitments towards Power Grid in relation to supply of power supply systems. Defendant no. 2 has filed an application under Order I Rule 10 of CPC for deletion of its name from the memo of parties on the grounds that it is not a necessary and proper party. | Rs. 43,50,780/- against the Plaintiff as counter claim. | |

C. Employees cases related to our Company

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|---|---|--|--|--|
| 1. | Ramdhar Rajput ...applicant Vs. The Company ...respondent Case No. 158 of 2004 | In the Court of Sh. S.P. Singh, Presiding Officer, Labour Court, Gurgaon. | The workman was in employment of the Company since 01.08.1985 and was drawing wages of Rs. 4,101/- per month at the time of termination of his services. The Company has denied the allegations made in the claim statement filed by the said workman. The Company has alleged that the said workman's services were terminated w.e.f. 28.09.2001 on the grounds of misconduct and riotous and disorderly behaviour. | The workman has prayed for reinstatement with continuity, all back wages and other benefits as per law since his termination i.e. 28.09.2001 | Next date of hearing 10.11.2009 listed for cross evidence of the workman |
| 2. | Hira lal ..applicant Vs. The Company ...respondent 405 of 2003 | In the Court of Sh. S.P. Singh, Presiding Officer, Labour Court, Gurgaon | The workman was absorbed in the Company as a machine operator on 02.02.1987. On 03.05.2002, the services of the said workman were terminated on the grounds of workman's riotous and disorderly behaviour. At the time of termination of said workman's service, he was drawing monthly salary of Rs. 3950/- . It is alleged by the workman that his services were terminated without giving him any show cause notice. The Company has denied the allegations made in the claim | The workman has prayed for reinstatement with continuity, all the back wages and other benefits as per law since his termination i.e. 03.05.2002 | Next date of hearing 10.11.2009 listed for cross evidence of the workman |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|--|--|---|--|---|
| | | | statement filed by the workman. | | |
| 3. | Paras Ram ..applicant Vs. The Company ..respondent 1700 of 2002 | In the Court of Sh. S.P. Singh, Presiding officer, Labour Court, Gurgaon | The said workman was working as a fitter with the Company since 14.07.1982. The said services of the workman were terminated on 21.07.2001. It has been alleged by the workman that his services were illegally and unlawfully terminated without giving him any retrenchment compensation, notice pay and other dues as per the law. The Company has denied the allegations made in the claim statement filed by the said workman | The workman claims for reinstatement with continuity in service with full wages and other benefits as per law. | Next date of hearing 04.12.2009 listed for arguments |
| 4. | Jawahar Yadav ..applicant Vs. The Company ...respondent 1706 of 2002 | In the Court of Sh. S.P. Singh, Presiding Officer, Labour Court, Gurgaon | The said workman had been in employment with the Company since 28.02.1984. The services of the said workman were terminated on 21.07.2001. At the time of termination, the said workman was working as a supervisor and was drawing wages of Rs. 6034/- per month. It has been alleged by the workman that his services had been illegally and unlawfully terminated without giving him any retrenchment compensation, notice pay and other dues as per the law. The Company has denied the allegations made in the claim statement. | The workman claims for reinstatement with continuity in service, full wages and other benefits as per law. | Next date of hearing 04.12.2009 Listed for arguments |
| 5. | Uma Shanker Singh ...applicant Vs. The Company ...respondent CWP No 16477 of 1995 | High Court of Chandigarh and Haryana | The workman was employed with Brecko Precision Engineering Private Limited which got merged with the Company. The workman was retrenched on 14.03.1989. The workman has alleged that he was retrenched in an illegal and unlawful manner. The Company had offered compensation to the said workman which was refused. | As per the information provided by the Company, the workman has contended that the retrenchment is illegal and therefore, liable to be set aside | High Court, vide its order dated 01.10.1996. has stayed the award of Labour Court subject to the provisions of Section 17-B of the Industrial Dispute Act,. |
| 6. | Ajay Kumar ...applicant Vs. The Company ..respondent | Labour Conciliation officer | The applicant has served a demand notice dated 01.01.09 on the Company wherein the applicant has alleged that his services have been illegally and unlawfully terminated on 03. 11.2008 without payment of retrenchment compensation , notice pay and other dues. The Labour officer vide its letter dated 07.01.2009 directed Company to appear before the officer on | The applicant demands reinstatement with full back wages and continuity in service from the date of his alleged illegal termination | The Company has informed that Conciliation officer has closed the conciliation proceedings and referred the case to appropriate Govt. under the |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|--|---|--|--|--|
| | | | 15.01.2009 to reply to the claim of the applicant and produce records. | | Industrial Disputes, Act. |
| 7. | Himanshu TripathiApplicant Vs. The Company ...Respondent Case no. CW/CD/10/08/76 6 | Deputy Labour Commissioner, Commissioner for Workmen's compensation | The applicant herein alleges that during the course of his employment he sustained irreparable injury and brain damage resulting in loss of his earning capacity. Since the applicant has permanently lost his earning capacity and is financially dependent on his elder brother, the applicant has approached the Deputy Labour Commissioner seeking compensation from the Company. The Company in its written statement denied all allegations and has alleged that the case of the applicant is not maintainable on the grounds that the applicant is not workman for the purposes of the Workmen Compensation Act and that application is barred by limitation. Further, the applicant has failed to file an FIR which would have been filed in case there had been an accident as alleged by the applicant. | The applicant herein has sought lump sum compensation of Rs. 21,46,862/- | Charges to be framed by the Court. 14.10.2009 |
| 8. | The Company ...plaintiff Vs. Akash Sharmadefendant Suit No. 197 of 2007 | In the Court of District Judge, Delhi | Suit for recovery of Rs. 15,00,000/- on account of damages and mandatory injunction. In the said case, the defendant was appointed as Manager (Marketing) vide appointment letter dated 04.03.2003. The defendant left the employment of the Company in violation to the terms and conditions of his appointment. | 1) Damages to the tune of Rs 15,00,000/- with interest @ of 18% on the said amount till the realization of the said amount. 2) To restrain the defendant from a) working with any of the Company's competitor, supplier, associate in any capacity for a period of three years from the dated of his resignation in the Company or (b) Engaging himself in any such business which is similar or comparable or competitive to | The matter is listed for plaintiff's evidence. The next date of hearing is 23.09.09. |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|--|---|---|---|---|
| | | | <p>The Company has also filed an application under Order XXXIX Rule 1 and 2 read with section 151 of the Code of Civil Procedure, 1908 for grant of ad- interim injunction.</p> | <p>the Company's range of product and/ or services.</p> <p>In the said application the Company has prayed for restraining the defendant from entering into job with M/s Preditech, USA or any such similar organization. The Company also prayed that defendant be directed to resign from his job taken with M/s Preditech, USA.</p> | |
| 9. | <p>Akash Sharma ..plaintiff</p> <p>Vs.</p> <p>The Company ..defendant</p> <p>Suit No. 58 of 2009</p> | <p>In the Court of District and Sessions Judge, Delhi</p> | <p>The plaintiff has averred in the plaint that he was not given an appointment letter by the Company nor was he intimate about the terms and conditions of the appointment letter. The plaintiff was constrained to resign from the job with the Company. The plaintiff has also alleged that he had met with an accident during the course of employment and yet the Company did not pay for the medical expenses. The plaintiff has also alleged that Company did not pay 50% of the plaintiff's salary for the month of September, 2006 and did not pay bonus for the year 2006-07.</p> | <p>Suit for recovery of Rs 9,28,550 along with pendente lite and future interest. Page relating to prayer clause not provided. The amount taken from title of the suit only.</p> | <p>Next date of hearing 14.10.2009</p> |
| 10. | <p>The Company ...plaintiff</p> <p>Vs.</p> <p>Sarika Sharma ...defendant</p> <p>Suit No. 139 of 2008</p> | <p>In the Court of District and Sessions Judge, Delhi</p> | <p>Suit for recovery of Rs. 10,00,000/- on account of damages and mandatory injunction. In the said case, the defendant was appointed as Marketing (co-coordinator) vide appointment letter dated 15.05.2004. The defendant resigned from her job without giving notice and joined M/s Preditech, USA in violation of the terms and conditions of her appointment.</p> | <p>1) Damages to the tune of Rs 10,00,000/- with interest @ of 18% on the said amount till the realization of the said amount.</p> <p>2) To restrain the defendant from working with any of the Company's</p> | <p>The matter is listed on 10.11.2009 for arguments on Order XXXIX Rule 1 of CPC.</p> |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|---|---|---|---|---|
| | | | The Company has also filed an application under Order 39 Rule 1 and 2 read with section 151 of the Code of Civil procedure for grant of ad- interim injunction. | competitor, supplier, associate in any capacity for a period of next two years or to engage himself in any such business which is similar or comparable or competitive to the Company's range of product and/ or services. The Company has prayed an order restraining the defendant from entering into a job with M/s Preditech, USA or any other such similar organization. The Company has also sought a direction that respondent be made to resign from her job with M/s Preditech, USA. | |
| 11. | The Company ...plaintiff Vs. Ms. Monika Gugganidefendant Suit No. 515 of 2008 | In the Court of Senior Civil Judge, Delhi | Suit for recovery of Rs. 15,00,000/- on account of damages and mandatory injunction. In the said case, the defendant was appointed as Senior Engineer (Sales) vide appointment letter dated 05.12.2005. The defendant left the employment of the Company in violation to the terms and conditions of his appointment. | 1) recovery of Rs. 93,000/- as three months salary and Rs. 24,000/- towards the mobile phones bills and Rs. 21,000/- as mobile phone provided to the defendant. 2) damages of Rs 50,000/- In the said application, the Company has prayed for restraining the | The matter is listed for 23.11.2009. Fresh address for service of notice and publication of notice is to be filed in the court. |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|---|--|--|---|---|
| | | | | defendant from entering into job with M/s Predictech or any such similar organization. The Company has also prayed that defendant be directed to resign from her job taken with M/s Predictech. | |
| 12. | The Company ...plaintiff Vs. A. Prabhu, M/s Numeric Power Systems Limited ...defendant Suit No.365 of 2004 | In the Court of District and Sessions Judge, Delhi | Suit for recovery of Rs. 5,00,000/- on account of damages and mandatory injunction. In the said case, the defendant was appointed as Sr. Manager (Marketing) vide appointment letter dated 11.03.2003. The defendant left the employment of the Company in violation to the terms and conditions of his appointment. The Company has also filed an application under Order XXXIX Rule 1 and 2 read with section 151 of the Code of Civil Procedure, 1908 for grant of ex- parte ad- interim | The Company has prayed for permanent injunction restraining Defendant No. 1 from joining any rival/ competitor company i.e. Defendant No. 2 Decree of mandatory injunction directing Defendant No.2 to withdraw the appointment letter offered in favour of Defendant No. 1. Decree of damages for a sum of Rs. 5,00,000/- along with pendente-lite and future interest from date of institution of suit till realization of the same against the said defendants. In the said application the Company has sought ex-parte ad- interim | The matter is listed for 12.10.2009 for argument on an application under Order 39 Rule 1 and 2 read with section 151 of the Code of Civil Procedure, 1908 |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|--|------------------------------------|--|---|--|
| | | | injunction. | injunction against the Defendant No. 1 restraining him from joining any other rival/competitor company and mandatory injunction against Defendant No 2 to withdraw the appointment letter, issued, if any, in favour of defendant no. 1. | |
| 13. | The Company ...plaintiff Vs. Gurpreet Singh ...defendant Suit No.516 of 2008 | In the Court of Senior Civil Judge | The Company has filed a suit for declaration, recovery and specific performance against the defendant. The defendant was appointed as Dy. Manager (Marketing) vide appointment letter dated 12.12.2005. The same day the parties entered into a confidentiality agreement as well. The defendant left the services of the Company without giving three months notice and hence the present suit has been filed. The defendant in his written statement denied all allegations. | The Company has sought relief of declaration, recovery of Rs 1,01489/-along with interest @12% and for specific performance of appointment letter dated November 24, 2005 and December 12, 2005 and for the relief of recovery of Damages of Rs. 50,000/- and declaration that resignation letter dated 14.08.07 be declared null and void. | The matter is now listed for 25.11.2009 for plaintiff's evidence |
| 14. | Gurpreet Singh ...counter claimant Vs. The Company ...respondent Suit no. 634 of 2009 | In the Court of Senior Civil Judge | The counter claimant has filed a case against the Company for recovery of amount and damages on the ground that he was denied salary. It has also been alleged that the counter claimant was forced and compelled to resign from the Company. It has also been alleged by the counter claimant that officials of the Company has given wrong and bad impression about the counter claimant and defamed him before his current employer. | Counter claim has been filed by plaintiff for recovery of Rs. 1,59,000/- and damages to the tune of Rs. 50,000/- | The case is listed on 25.11.2009 for reply to the counter claim filed. |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|--|---|--|--|---|
| 15. | The Company ...plaintiff Vs. Surjeet Singh Negi ...defendant Suit No. 910 of 2008 | In the Court of Senior Civil Judge | The Company has filed a suit for specific performance, permanent injunction and damages against the defendant. The defendant was appointed as Assistant Manager (Marketing) some time in July, 2005. the defendant resigned in contradiction to the terms of the appointment. | The Company has prayed for a) performance of the service contract, thereby directing the defendant to pay a sum of Rs. 90,000/- which is legally recoverable salary of three months and Rs. 1,50,000/- for amount spent by Company for sending defendant to Germany for further training. b) Restraining the defendant from joining the services with any competitor of the Company. | The matter is listed on 15.10.2009 for filing of fresh address for service of notice. |
| 16. | The Company ...plaintiff Vs. Ravi MG ...defendant Suit no.828 of 2008 | In the Court of Senior Civil Judge, Delhi | The Company has filed a suit for recovery of amount and damages under Order XXXVII of Code of Civil Procedure, 1908. In the said case, the defendant was appointed as Deputy Manager (Marketing) and joined the services from 12.02.2007. The defendant resigned from the Company in violation to the terms and conditions of his service contract. | The Company has prayed for a decree of specific performance and recovery of a sum of Rs 75,000/- in favour of the Company. The Company has also sought damages to the tune of Rs. 50,000/- as per Order II Rule II of CPC and also pendente-lite as well as future interest. | The matter is listed on 31.10.2009 for filing of fresh address for service of notice. |
| 17. | The Company ...plaintiff Vs. Ratikanta Roy | In the Court of Senior Civil Judge, Delhi | The Company has filed a suit for recovery of Rs 1,50,000/-. The defendant was appointed as Senior Engineer (Marketing) with effect from 15.11.2005. The defendant resigned from Company vide letter | The Company has prayed for a decree of Rs. 1,50,000/- along with interest @18% per | The matter is listed on 22.09.2009 for filing of fresh address for service of notice |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing (NDH) |
|--------|--|---|--|---|---|
| | ..defendant Suit No. CS/297/2007 | | dated 09.06.2006 in contradiction to the Appointment-cum- Services contract. | annum in favour of the Company. | |
| 18. | The Companyplaintiff Vs. Tejinder K Gambhirdefendant Suit No. 521 of 2008 | In the Court of Senior Civil Judge, Delhi | The Company has filed a summary suit under order XXXVII of Code of Civil Procedure, 1908 wherein the Company has alleged that the defendant was appointed as Manager (Marketing) and worked with the Company for some time. The defendant vide letter dated 17.04.2008 informed the Company about its inability to render services to the Company and left the services in contravention of the terms and conditions of his appointment. | The Company has sought specific performance of the contract and recovery of sum of Rs. 72,000/- along with 12% per annum, a decree of damages of Rs. 50,000/-. | Matter listed on 15.12.2009 for notice to be issued by the court |
| 19. | The Company Vs. Harsh Khurana | In the Court of Additional District Judge Civil Judge, Delhi | The case is pertaining to breach of contract of appointment. The defendant left the services in contravention to the terms and conditions of the appointment. | The court was decreed in favour of the Company and thereafter the Company proceeded for execution of decree in the execution court. The execution suit got dismissed in view of non availability of the address of the defendant. | The suit has been dismissed by the court due to non availability of the address of the defendant. |

D. Government / Tax Authorities Cases & Notices involving our Company

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|---|------------------------|---|--|--|
| 1. | Department of Income Tax ..appellant Vs The Company ...respondent ITA No. 1374 of 2008 | Delhi High Court | The Department has filed an appeal under section 260A of Income Tax Act, 1961 ("IT Act") against the order dated June 27, 2008 passed by Ld. Income Tax Appellate Tribunal (ITAT) wherein ITAT had deleted the addition of Rs 41,55,712/- made by the assessing officer on account of payment made by the assessee to foreign companies under the head "Technical Service Charges" by invoking the provision of Section 40(a)(i) of the IT Act for the assessment year 2003-2004, Amount involved is 15.27 lacs | Dismissal of order dated June 27, 2008 passed by Ld ITAT | Next date of hearing is on 22.09.2009 For admission of appeal. |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|--|---|---|--|---|
| 2. | The Company ...appellant Vs. Income Tax Department ITA No. 190 of 2009 ...respondent | Delhi High Court | The Company has filed an appeal under Section 260A of IT Act against the order dated June 27, 2008 passed by Ld. ITAT wherein ITAT had upheld the action of the assessing officer in denying deduction under section 80HHC of the Act in respect of export of goods made by the appellant to Bangladesh from third country i.e. USA for the assessment year 2003-2004. in the said matter the tax effect is to the tune of Rs 8,93,378/- | Dismissal of order dated June 27, 2008 passed by Ld. ITAT. | 22.09.2009. |
| 3. | Dept served a notice of demand Assessment year 1996-97 | Dy. Commissi oner of Income Tax, Circle 3(9), New Delhi | The Dept. has raised a notice of demand under section 156 of the Income Tax Act, 1961 for the assessment year 1996-97 for a sum of Rs. 2,55,349/- inclusive of interest as an additional demand. | The Company has informed that the reply has been filed by the Company | The date of hearing not fixed. |
| 4. | The Company Appeal no 188/CIT(A)XVII/ DEL/08-09 year 2003-2004 | Asst. Commissi oner of income Tax Assessme nt | The Company had filed an appeal dated 15.06.2009 against the penalty imposed by the Assessing officer under section 271(1)(c) of the Income Tax Act, 1961. wherein it had imposed a penalty of Rs. 9,38,047/- | The Company had sought relief of waiver of penalty | Vide order dated 20.07.2009 the Id Additional commissioner allowed the relief and waived off the penalty. |
| 5. | 01.04.1993 to 31.03.1994 | N.A. | The Company had supplied certain goods to BSES and NDPL against which the said companies had issued sales tax exemption certificate which has been rejected by the assessing authority. Vide assessment order dated July, 30, 1996 the Assessing Authority issued demand note of Rs. 22,857.00/- including interest under Delhi Sales Tax Act, 1975 against which the Company filed a petition for stay of recovery demand and entertainment of appeal without prior payment of tax, penalty and interest filed by the Company. | Before Additional Commissioner, Sales Tax, Bikri- kar Bhawan, New Delhi. | Additional Commissioner-I, Sales Tax, New Delhi directed the Company to deposit Rs 15,000/- under the Delhi Sales Tax Act, 1975 as pre-condition for entertainment of appeal under section 43(5). The company has informed that the matter has been adjourned sine die. |
| 6. | 01.04.1993 to 31.03.1994 | N.A | Vide assessment order dated July, 30, 1996 the Assessing Authority issued demand note of Rs. 97,990.00/- including interest against the Company. The Company has filed a petition for stay of recovery demand | Before Additional Commissioner, Sales Tax, Bikri- kar Bhawan, New Delhi. | Additional Commissioner-I, Sales Tax, New Delhi directed the Company to deposit Rs |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|--------------------------------|-------|--|--|--|
| | | | and has prayed that the appeal of the Company be heard and allowed without being subject to the prior payment of tax, penalty and interest imposed by the Authority against the Company. | | 50,000/- under the Central Sales Tax Act, 1956 as pre-condition for entertainment of appeal. The company has informed that the matter has been adjourned sine die. |
| 7. | 01.04.2003 to 31.03.2004 | N.A. | The Company was assessed for the year 2003-04 vide Assessment order dated 12.03.2005 wherein additional demand of Rs. 13,47,451/- under local sales tax was raised. Against the said order, the Company filed an Appeal No. 302-303. | Before Additional Commissioner-IV, Dept of Trade and Tax, Bikri-kar Bhawan, I.P. Estate, New Delhi | The Additional Commissioner vide order dated 18.10.2005 directed the Company to deposit Rs. 2,60,000/- under the local Act. The advocate of the Company has informed that the matter has been adjourned sine die. |
| 8. | 01.04.2003 to 31.03.2004 | N.A. | The Company was assessed for the year 2003-04 vide Assessment Order dated 12.03.2005 wherein additional demand of Rs. 20,09,420/- under Central Sales Tax was raised. Against the said order, the Company filed an Appeal No. 302-303. | Before Additional Commissioner-IV, Dept of Trade and Tax, Bikri-kar Bhawan, I.P. Estate, New Delhi | The Additional Commissioner vide order dated 18.10.2005 directed the Company to deposit Rs. 2,10,000/- under the Central Sales Tax Act. The said amount has been duly deposited. The advocate of the Company has informed that the matter has been adjourned sine die. |
| 9. | 01.04.2004 to 31.03.2005 | N.A. | The Company was assessed for the year 2004-05 vide Assessment order dated 31.03.2006 wherein additional demand of Rs. 40,95,202 under Delhi Sales Tax Act, 1975 inclusive of interest was raised. Against the said order, the Company filed an Appeal before the Court of Additional Commissioner. | Before the Court of Additional Commissioner-III, Dept of Trade and Taxes, Govt. of NCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi | The Additional Commissioner vide order dated 27.11.2006 directed the Company to deposit Rs. 4,00,000 on or before 12.12.2006 |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|---|-------|--|--|---|
| | | | | Delhi | under the Delhi Sales Tax Act as a condition precedent to entertainment of appeal. The advocate of the Company has informed that the matter has been adjourned sine die. |
| 10. | 01.04.2004 to 31.03.2005 | N.A. | The Company was assessed for the year 2004-05 vide Assessment Order dated 31.03.2006 wherein additional demand of Rs. 17,67,421/- under Central Sales Tax Act, 1956 was raised. Against the said order, the Company filed an Appeal before the Court of Additional Commissioner. | Before the Court of Additional Commissioner-III, Dept of Trade and Taxes, Govt. of NCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi | The Additional Commissioner vide order dated 27.11.2006 directed the Company to deposit Rs. 1,50,000/- on or before 12.12.2006 under Central Sales Tax Act, 1956 as a condition precedent to entertainment of appeal. The advocate of the Company has informed that the matter has been adjourned sine die. |
| 11. | Financial year 2005-06 Amount involved: Rs. 3,55,647/- | N.A. | The Company has filed an appeal under the authority on the grounds that the assessing authority has assessed the UP Trade Tax eligible on sale of U.P.S by Company in UP at the rate of 8%. The Company has pleaded that UP Trade Tax exigible on the sale of UPS is @ 4% and the said rate was charged from its customers | Court of commercial Tax Tribunal Tax Department, NOIDA | The appeal has been filed, The date of hearing is yet to be fixed. |
| 12.. | Financial year 2005-2006 Amount involved: Rs. 3,03,820/- | NA | Department has raised demand on account of non submission of C-form by the Company. The Company has filed an objection/ appeal for extension of the time to file the C-Forms. | Joint Commissioner-III, Objection Hearing Authority, Trade Tax Dept., Delhi | The Company has informed that the next date of hearing is on 29.09.2009 |
| 13. | Financial year 2006-07 | | The Company has filed an objection petition against the default | The Joint Commissioner, | The date of hearing is yet to |

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|--|-------------------------|--|--|---|
| | Amount involved: Rs. 1,88,877/- | | assessment order for the quarter ending 30.09.2006, 31.12.2006 and 31.03.2007 for not submitting C forms | Trade and Tax Dept. New Delhi. | be fixed. The objection petition was filed on 10.09.2009. |
| 14. | The Company ...petitioner Vs. State of UP and others ...respondent Civil Misc. Writ Petition No. 809 of 2006 Assessment year 2003-2004 Amount involved: Rs. 3,23,984/- | High Court at Allahabad | The Company has filed a writ petition challenging the order of Assessing Authority wherein for the assessment year 2003-2004, the assessing authority has assessed the UP Trade Tax exigible on sale of U.P.S by Company in UP at the rate of 8%. The Company has pleaded that UP Trade Tax exigible on the sale of U.P.S is @ 4% and the said rate was charged from its customers | Stay of the operation of the impugned order dated 22.03.2006 passed by the assessing officer for the assessment year 2003-2004. | Stay has been granted. The Company has provided us with a certificate of the lawyer wherein it is mentioned that the matter would be heard on 29.09.2009. Since the High court would be closed on that date, the matter is likely to be listed in October , 2009 |
| 15. | The Company ...petitioner Vs. State of UP and others ...respondent Civil Misc. Writ Petition No. 813 of 2007 Assessment year; 2004-2005 Amount involved: Rs. 4,22,533/- | High Court at Allahabad | The Company has filed a writ petition challenging the order of Assessing Authority wherein for the assessment year 2004-2005, the assessing authority has assessed the UP Trade Tax exigible on sale of U.P.S by Company in U.P. at the rate of 8%. The Company has pleaded that UP Trade Tax exigible on the sale of U.P.S is @ 4% and the said rate was charged from its customers. | Stay of the operation of the impugned order dated 16.03.2007 and recovery notice dated 14.05.2007 passed by the assessing officer for the assessment year 2004-2005. | Operation of the order dated 16.03.2007 has been stayed by the High Court vide its order dated 18.06.2007. The Company has informed us that the matter would be heard on 29.09.2009. Since the High court would be closed on that date, the matter is likely to be listed in October , 2009 |
| 16. | The Company ...petitioner Vs. State of UP and others ...respondent Civil Misc. Writ Petition No. 1432 of 2009 Assessment year 2006-2007 Amount involved: approx. Rs.8,94,949/- | High Court at Allahabad | The Company has filed a writ petition challenging the order of Assessing Authority wherein for the assessment year 2006-2007, the assessing authority has assessed the U.P. Trade Tax exigible on sale of U.P.S by Company in U.P. at the rate of 8%. The Company has pleaded that U.P. Trade Tax exigible on the sale of UPS is @ 4% and the said rate was charged from its customers | Stay of the operation of the impugned order dated 09.03.2009 passed by the assessing officer for the assessment year 2006-2007. | Interim stay granted. The Company has provided us with a certificate of the lawyer wherein it is mentioned that the matter would be heard on 29.09.2009. Since the High court would be closed on that date, the matter is likely to be listed in October , 2009 |

E. Consumer Court related cases

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|---|--|--|---|--|
| 1. | Electronics Service and Training Center ("ESTC") complainant Vs. The Company ...respondent Complaint No. 186 of 2004 | District Consumer Protection Forum, Nainital, Uttarakhand ("Consumer forum") | Complainant had placed an order on the Company for purchase of wave soldering machine. The cost of the machine was Rs. 2.60 lacs. After the delivery of the machine, the Company did not install machine at the site, however, the payment was released by the complainant. It has been alleged that the installation of the machine could not be completed despite efforts from the complainant. Since the machine could not be replaced within the guarantee period, the complainant issued a legal notice dated December 16, 2003 calling upon the Company to pay Rs. 2.60 lacs along with interest | Company to pay Rs. 2.60 lacs along with interest. | The matter is now listed on 23.10.2009. For argument for final disposal. |

Litigations against Promoter Group Companies**A. Civil Cases filed by our Promoter Group Companies**

| S. No. | Name of the party and case no. | Court | Brief Particulars | Relief Sought | Status/ Next Date of Hearing |
|--------|--|-----------------------|--|---|--|
| 1. | Prime Hi-tech Private limited ...Plaintiff/ appellant Vs 1) Bhartiya Industries Limited ...defendant no. 1 2) Bhartiya Cutler hammer limited ...defendant no. 2 Suit no. 936 of 2006 | District Judge, Delhi | The plaintiff had filed an appeal against an order dated 20.08.2005 passed by the Ld. Judge in the suit no. 40 of 2003 which was filed by the plaintiff in which it was alleged that it had supplied certain goods to defendant no. 1 against the assurance that "Form C" would be issued in favour of Plaintiff. On the basis of such an assurance, interstate sale was affected and sales tax @4% instead of 10% was charged. It has been alleged by the plaintiff in the said suit that the defendant no. 1 failed to provide "C Form" to the plaintiff and at the time of sales tax assessment of plaintiff, the department imposed tax at the rate of 10%. The appeal has been allowed and the suit remanded back to the lower court. | Recovery of sum of Rs 1,76,934/-, pendente-lite and future interest @24% as well as cost of the suit. | The Ld ADJ vide its order dated 03.05.2006 has set aside the order of the lower court and has directed the lower court to decide the suit on merits. The matter is listed on 12.11.2009 for arguments |
| 2. | Prime Hi-tech Private limited ...Plaintiff Vs 1) Bhartiya Industries Limited | District Judge, Delhi | The plaintiff had filed an appeal against an order dated 20.08.2005 passed by the Ld. Judge in the suit no 39 of 2003 wherein the recovery of amounts for the year 1995-96 dismissed on the ground that the | Recovery of sum of Rs 234759/-, pendente-lite and future interest @24% as well as cost of the suit. | The Ld ADJ vide its order dated 03.05.2006 has set aside the order of the lower court and |

| | | | | | |
|--|--|--|---|--|---|
| | <p>...defendant no. 1 2) Bhartiya Cutler hammer limited ...defendant no. 2</p> <p>Suit no. 937 of 2006</p> | | <p>plaintiff had failed to prove that it was a company registered under Companies Act, 1956.</p> <p>The suit was filed by the plaintiff for recovery of amount against the goods supplied to defendant no. 1 on the assurance of the defendant that it would issue "Form C" in favour of Plaintiff. On the basis of such as assurance interstate sale was affected and sales tax @4% instead of 10% was charged. It has been alleged by the plaintiff in the said suit that the defendant no. 1 failed to provide "C Form" to the plaintiff and at the time of sales tax assessment of plaintiff, the department imposed tax at the rate of 10%. The appeal has been allowed by the Ld. ADJ and suit has been remanded back to lower court.</p> | | <p>has directed the lower court to decide the suit on merits.</p> <p>The matter is listed on 12.11.2009 for arguments</p> |
|--|--|--|---|--|---|

GOVERNMENT AND OTHER APPROVALS

The Company has the following licenses, permits and registrations for conducting its business.

1. IMT Manesar

| Sr. No. | Nature of the Licence | Issuing Authority | Name of the Act | Registration No. | Issued on | Valid upto |
|---------|---|---|--|---------------------------------|------------|-----------------|
| 1. | Licence to run a Factory | Chief Inspector of Factories, Chandigarh, Haryana | Factories Act, 1948 | GGN/P-301/4037/7409 | 27.02.2007 | 31.12.2011 |
| 2. | Pollution Control Licence (Water Act) | Scientist CI (HQ), Haryana State Pollution Control Board | Water (Prevention & Control of Pollution) Act, 1974 | HSPCB/Water Consent/2376 | 30.03.2006 | 31.03.2010 |
| 3. | Pollution Control Licence (Air Act) | Scientist CI (HQ), Haryana State Pollution Control Board | Air (Prevention & Control of Pollution), 1981 | HSPCB/Air Consent/2374 | 30.03.2006 | 31.03.2010 |
| 4. | Excise Registration (manufacturing) | Assistant Commissioner of Central Excise, Gurgaon | Central Excise Act, 1944 | AAACPI565EX M002 | 10.03.2006 | Until Cancelled |
| 5. | Operation of Boilers | Chief Inspector, Chief Inspector of Boilers, Chandigarh, Haryana, | The Boilers Act, 1923 | EBPL/0329 | 18.12.2008 | 16.12.2009 |
| 6. | Fire NoC | Fire Station Officer | - | FS2009/914 | 07.09.2009 | 11.10.2010 |
| 7. | Certificate for inspection of electrical installation | Executive Engineer, Electrical Inspectorate, Gurgaon | Indian Electricity Rules, 1956 | Memo No. HTS/226/March/ GGN/06/ | 21.01.2009 | - |
| 8. | Annual Inspection for operation of DG Sets and Operation of Lifts | Executive Engineer, Electrical Inspectorate, Gurgaon | Indian Electricity Rules | 105 | 23.01.2009 | - |
| 9. | Entrepreneurs Memorandum Number | General Manager, District Industries Centre, Gurgaon | MSMED Act, 2006 | 060181201130 Part II | 15.07.2008 | Permanent |
| 10. | Registration under VAT laws | | Haryana Value Added Tax Act, | 06241817506 | - | - |
| 11. | Registration under central Sales Tax laws | Assessing Authority, Gurgaon | Central Sales Tax (Registration and Turnover) Rules, 1997 | 06241817506 | - | - |
| 12. | Inspection for Weights and Measures | Inspector legal Metrology, Faridabad | Standards of Weights and Measures Act, 1976 and rules thereunder | Book no. 2420 Sr. 0000046 | 13.01.2009 | 01.01.2010 |
| 13. | The Council of The European Communities | Perry Johnson Certifications Private Limited | Certificate of Conformity for Engineering Division | Certificate Number: PJC/CE/14 | 30.09.2008 | 29.09.2011 |

| Sr. No. | Nature of the Licence | Issuing Authority | Name of the Act | Registration No. | Issued on | Valid upto |
|---------|--|---|---|---|------------|---|
| | Directive 93/42/EEC of 14 June 1993 concerning medical devices | | | | | |
| 14. | ISO Certification | DNV Certification Services, India | For Manufacture and Supply of Precision Investment Casting in the Investment Casting Division | ISO 9001:2000 Certificate Number: 04154-2006-AQ-BOM-NABCB | 15.07.2006 | 11.07.2009 Has been recommended for extension. However Certificate awaited from the issuing authorities. |
| 15. | ISO Certification | DNV Certification B.V., The Netherlands | For development, machining and assembling of engineering components design and manufacture of industrial valves development and assembly of electronic testing instruments like Cable selector and cable fault detector, development and manufacture of UPS | ISO 9001:2000 Certificate Number: 2845/2-2007-AQ-IND-RvA | 13.06.2008 | 01.04. 2010 |
| 16. | ISO/TS Certification | DNV Certification Huston, TX, USA | For manufacture of Investment Casting viz. Adaptor, Finger Casting, Bolt Yoke, Valve Housing, Exclusion:7.3 Product Design | ISO/TS 16949:2002 Certificate Number: 42868-2008-AQ-IND-IATF | 16.12.2008 | 23.11.2011 |

2. Udyog Vihar

| Sr. No. | Nature of the Licence | Issuing Authority | Name of the Act | Registration No. | Issued on | Validity Period |
|---------|--|--|---|------------------|------------|-----------------|
| 1. | Factory Licence | Chief Inspector of Factories, Chandigarh, Haryana | Factories Act, 1948 | GGN/P-6326/7254 | 14.03.2007 | 31.12.2011 |
| 2. | SSI | General Manager, District Industries Centre, Gurgaon | Industries Development & Regulation Act, 1951 | 050236809 | 16.02.1996 | Until Cancelled |
| 3. | Certification of Registration (as IT) Unit | General Manager, District Industries Centre, Gurgaon | - | IT-G-05-02-00020 | 22.01.2002 | Until Cancelled |
| 4. | ISO Certification | DNV Certification | For Development, | ISO | 23.04.2007 | 01.04.2010 |

| Sr. No. | Nature of the Licence | Issuing Authority | Name of the Act | Registration No. | Issued on | Validity Period |
|---------|--|--|---|--|------------|-----------------|
| | | B.V. The Netherlands | Machining and assembling of engineering components and development, assembly of electronic Testing Instruments like cable selector and cable Fault Detector | 9001:2000 Certificate Number: 2845-2007-AQ-IND-RvA | | |
| 5. | Certificate of Compliance for Engineering Division | AQSR India Private Limited | NA | AI/2004/1181 | 22.08.2005 | 21.08.2011 |
| 6. | Excise Registration (manufacturing) | Superintendent Central Excise, Range II, Gurgaon | Central Excise Act, 1944 | 70/R-II/GGN/93 | 21.09.1993 | Until Cancelled |
| 7. | Registration under VAT laws | | Haryana Value Added Tax Act, | 06241817506 | - | - |
| 8. | Registration under central Sales Tax laws | Assessing Authority, Gurgaon | Central Sales Tax (Registration and Turnover) Rules, 1997 | 06241817506 | - | - |

3. Windmill operations in Gujarat*

| Anne xure | Nature of the Licence | Issuing Authority | Name of the Act | Registration No. | Issued on | Validity Period |
|-----------|------------------------------------|---|--|--|------------|---|
| 1. | Permission to set up power project | Gujarat Energy Development Agency | Gujarat Electricity Regulatory Commission (Power Procurement from Renewable Sources) Regulations, 2005 | GEDA/PWF/S GWPL-PCIL/WANDHYA/2 007-08/6574 | 03.03.2008 | 20 Years from Commercial Date of Production |
| 2. | Certification for CDM | The Company is in the process of obtaining the accreditation from the United Nations Framework Convention on Climate Change | | | | |

* We have been confirmed by Suzlon Energy Limited that the have obtained all necessary licenses regarding commissioning of windmills, evacuatopm of power and other necessary clearances.

4. General Approvals

| Sr. No. | Particulars Issuing | Authority | Name of the Act | Registration No. | Issued on | Valid Upto |
|---------|---|-----------------------------------|----------------------|----------------------------|------------|----------------|
| 1. | Certificate of Incorporation | RoC, NCT | Companies Act, 1956 | Original: 23329 of 1985-86 | 13.02.1986 | N.A. |
| 2. | PAN | Income Tax Department. | Income Tax Act, 1961 | AAACP1565E | 13.02.1986 | N.A. |
| 3. | TAN | Income Tax Department. | Income Tax Act, 1961 | DELP09007F | 28.07.2004 | N.A. |
| 4. | Certificate of Importer – Exporter Code (IEC) | Foreign Trade Development Officer | Export Import Policy | 0589038907 | 20.11.1998 | Till Cancelled |
| 5. | Service Tax Number | Deputy Commissioner of | Finance Act, 1994 | AAACP1565 EST001 | 23.07.2003 | N.A. |

| Sr. No. | Particulars Issuing | Authority | Name of the Act | Registration No. | Issued on | Valid Upto |
|---------|---|---|--|--|------------|-----------------|
| | | Central Excise, Noida | | | | |
| | | Deputy Commissioner of Central Excise, New Delhi | Finance Act, 1994 | AAACP1565ES T002 | 15.10.2003 | N.A. |
| | | Superintendent, Service Tax, Range II, Gurgaon | Finance Act, 1994 | AAACP1565ES T004 | 22.12.2006 | N.A. |
| 6. | Employees State Insurance Fund | Regional Director | Employees State Insurance Act, 1948 | 11-17649-102 | 31.01.1991 | N.A. |
| 7. | Employees Provident Fund | Regional Provident Fund Commissioner | Employees Provident Fund and Miscellaneous Provisions Act, 1952 and scheme thereunder | HR/GGN/2810 4 | 03.09.2006 | N.A. |
| 8. | Excise Registration (dealer) | Deputy Commissioner of Central Excise | Central Excise Act, 1944 and rules thereunder | AAACP1565E XD001 | 29.02.2008 | Until Cancelled |
| 9. | Registration under Shops and Establishments | Inspector under Bombay Shops and Establishments Act, 1948 | Bombay Shops and Establishments Act, 1948 | 760109711/ Commercial II | 02.09.2009 | 31.12.2009 |
| | | N.A. | Orissa Shops and Establishments Act, 1956 | Applied for registration on 14.09.2009 | | |
| | | Inspector under Karnataka Shops and Commercial Establishments Act, 1961 | Karnataka Shops and Commercial Establishments Act, 1961 | SLI-24/a=99/CE-242=2009 | 20.05.2008 | 31.12.2012 |
| | | Inspector under Karnataka Shops and Commercial Establishments Act, 1961 | Karnataka Shops and Commercial Establishments Act, 1961 | 14/va.No./1772/2009 | 10.09.2009 | 31.12.2013 |
| | | Assistant Labour Officer, Circle 22, Hyderabad | Andhra Pradesh Shops and Establishments Act, 1988 | ALO22/HYD/12/2009 | 02.02.2009 | 31.12.2009 |
| 10. | Annual inspection of Lifts at Rajendra Place, Delhi | Inspector of Lifts | Bombay Lifts Act, 1939 and Delhi Lift Rules, 1942 | ED.3(7332)/04/6331 | 08.04.09 | 17.02.2010 |
| 11. | Certified copy of standing orders | N.A. | Industrial Employment (Standing Orders) Act, 1946 | The Company has submitted applied for certifications of the standing orders under the Industrial Employment (Standing Orders) Act, 1946. | | |
| 12. | Professional Tax | Sales Tax Officer, Mumbai | Section 5 (2)/(2A) of Maharashtra State tax on Professions, Trades, Callings, and Employment Act, 1975 | PT/E/1/1/29/18/7613 | 05.10.2004 | N.A. |

| Sr. No. | Particulars Issuing | Authority | Name of the Act | Registration No. | Issued on | Valid Upto |
|---------|---------------------|--------------------------------|--|--|--|------------|
| | | Sales Tax Officer, Mumbai | Section 5 (1) of Maharashtra State tax on Professions, Trades, Callings, and Employment Act, 1975 | PT/R/1/1/29/24 217 | 06.10.2004 | N.A. |
| | | Profession Tax Officer, Mumbai | Section 5 (1) of Maharashtra State tax on Professions, Trades, Callings, and Employment Act, 1975 | 27985219076P | 31.08.2009 | N.A. |
| | | Professional Tax Officer | Rule 4 (4) of West Bengal State tax on Professions, Trades, Callings, and Employment Act, 1979 | ECW0424927 | 18.03.1997 | N.A. |
| | | Professional Tax Officer | Rule 3 (2) of West Bengal State tax on Professions, Trades, Callings, and Employment Act, 1979 | RCW1354299 | 20.04.2000 | N.A. |
| | | Commissioner | Tamil Nadu Urban Local Bodies Tax on Professions, Trades, Callings Employment Rules, 1998 | 05-071-PE-0134 | 12.09.2009 | N.A. |
| | | N.A. | Under Rule 4(1)/6(1) of the Orissa State Tax on Professions, Trades, Callings and Employment Act 2000 and rules thereunder | Company has applied for registration on 14.09.2009 | | |
| | | N.A. | Under Rule 3(1) of the Karnataka Tax on Professions, Trades, Calling and Employment Act, 1976 | Company has applied for registration on 09.09.2009 | | |
| | | N.A. | A.P. Shops and Establishments Rules, 1990 | APG/ICB/PT/1 213/9394 | The Company had applied for renewal for the year 2009 vide a letter dated December 17, 2008. | |

5. Applications for registration of Trademarks

| Sr. No. | Trade mark | Application no. | Class | Filing date | Remark |
|---------|-------------|-----------------|-------|-------------|---------|
| 1. | RANGER | 1632589 | 10 | 19.12.2007 | Pending |
| 2. | RANGER SLIM | 1632584 | 10 | 19.12.2007 | Pending |
| 3. | ECOLIGHT | 1616640 | 09 | 31.10.2007 | Pending |
| 4. | PCI | 1632590 | 11 | 19.12.2007 | Pending |

| Sr. No. | Trade mark | Application no. | Class | Filing date | Remark |
|---------|---------------------------------------|-----------------|-------|-------------|---------|
| 5. | PRIME GROUP LOGO WITH PCI LTD. | 1618178 | 10 | 05.11.2007 | Pending |
| 6. | PRIME GROUP LOGO WITH PCI LTD. | 1618179 | 09 | 05.11.2007 | Pending |
| 7. | PRIME GROUP (LOOKING BEYOND TOMORROW) | 1632588 | 10 | 19.12.2007 | Pending |

We undertake that the activities proposed by us in view of the present approvals and approvals which have been applied by us, no further approvals from any Government Authorities / RBI are required by us to undertake the proposed activities.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Authority from the Company

This Issue has been authorised by the resolution passed by the Board of Directors in their meeting held on September 30, 2008 and special resolution passed pursuant to section 81(1A) of the Companies Act, at the extra ordinary general meeting of the shareholders of our Company held on October 03, 2008

Prohibition by SEBI

Our Company, our Promoter, our Directors, our subsidiary companies and companies with which our directors are associated as directors or Promoter, has not been prohibited from accessing the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI or any other authority. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India.

Further, our Company, our Promoter, their relatives, our subsidiary companies and our Directors have not been declared as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

Eligibility for the Issue

We are an unlisted Company incorporated under the Companies Act, 1956 and are complying with the eligibility criteria as specified under Regulation 26(1) of SEBI ICDR Regulations. The summary of our distributable profits, net worth, net tangible assets and monetary assets are as under:

(Rs. in millions)

| Particulars | March 31, 2009 | March 31, 2008 | March 31, 2007 | March 31, 2006 | March 31, 2005 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net Tangible Assets | 1109.16 | 867.36 | 426.26 | 326.65 | 253.08 |
| Monetary Assets | 10.57 | 13.62 | 14.33 | 18.25 | 9.59 |
| Monetary Assets as a % of Net Tangible Assets | 0.95% | 1.57% | 3.36% | 5.59% | 3.79% |
| Distributable Profit | 63.86 | 73.33 | 2.29 | 5.65 | (0.34) |
| Net Worth | 302.99 | 239.13 | 165.80 | 144.40 | 138.75 |

1. Net tangible assets means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India.
2. Monetary assets comprises of cash and bank balances and non-trade marketable investments.
3. Distributable profits have been defined in terms of Section 205 of the Companies Act, 1956
4. Net Worth has been defined as the aggregate of equity share capital and reserves excluding revaluation reserve.

In accordance with the Regulation 26(4) of SEBI ICDR Regulations, we ensure that the number of allottees in the proposed Issue shall be atleast 1,000; otherwise, we shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund, we 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 THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI.

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED

TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SPA MERCHANT BANKERS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER SPA MERCHANT BANKERS LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 26, 2009 WHICH READS AS FOLLOWS:

1. We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators, etc. and other material in connection with the finalisation of the Draft Red Herring Prospectus (in case of a book built issue) pertaining to the said issue;
2. On the basis of such examination and the discussions with the issuer, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the issue, price justification and the contents of the documents and other papers furnished by the issuer, WE CONFIRM that:
 - (a) the Draft Red Herring Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the issue;
 - (b) all the legal requirements relating to the issue as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (c) the disclosures made in the Draft Red Herring Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1956, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable legal requirements.
3. We confirm that besides ourselves, all the intermediaries named in the Draft Red Herring Prospectus are registered with the Board and that till date such registration is valid.
4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments.
5. We certify that written consent from promoters has been obtained for inclusion of their specified securities as part of promoters' contribution subject to lock-in and the specified securities proposed to form part of promoters' contribution subject to lock-in shall not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Draft Red Herring Prospectus with the Board till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus.
6. We certify that Regulation 33 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which relates to specified securities ineligible for computation of promoters contribution, has been duly complied with and appropriate disclosures as to compliance with the said regulation have been made in the Draft Red Herring Prospectus.
7. We undertake that Sub-regulation (4) of Regulation 32 and clause (c) and (d) of Sub-regulation (2) of Regulation 8 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be complied with. We confirm that arrangements have been made to ensure that promoters' contribution shall be received at least one day before the opening of the issue. We undertake that auditors' certificate to this effect shall be duly submitted to the Board. We further confirm that arrangements have been made to

ensure that promoters' contribution shall be kept in an escrow account with a Scheduled Commercial Bank and shall be released to the issuer along with the proceeds of the public issue. - Not applicable

8. We certify that the proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out until now are valid in terms of the object clause of its Memorandum of Association.
9. We confirm that necessary arrangements have been made to ensure that the moneys received pursuant to the issue are kept in a separate bank account as per the provisions of sub-section (3) of section 73 of the Companies Act, 1956 and that such moneys shall be released by the said bank only after permission is obtained from all the stock exchanges mentioned in the prospectus. We further confirm that the agreement entered into between the Bankers to the Issue and the Issuer specifically contains this condition.
10. We certify that a disclosure has been made in the Draft Red Herring Prospectus that the investors shall be given an option to get the shares in demat or physical mode. - Not applicable
11. We certify that all the applicable disclosures mandated in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 have been made in addition to disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision.
12. We certify that the following disclosures have been made in the Draft Red Herring Prospectus:
 - (a) An undertaking from the issuer that at any given time, there shall be only one denomination for the equity shares of the issuer and
 - (b) An undertaking from the issuer that it shall comply with such disclosure and accounting norms specified by the Board from time to time.
13. We undertake to comply with the regulations pertaining to advertisement in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 while making the issue.
14. We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background of the issuer, situation at which the proposed business stands, the risk factors, promoters experience, etc.
15. We enclose a checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, containing details such as the regulation number, its text, the status of compliance, page number of the Draft Red Herring Prospectus where the regulation has been complied with and our comments, if any.

THE FILING OF OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT."

Disclaimer from Our Company & the BRLM

Our Company, our Directors, and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

Caution

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement dated September 18, 2009 entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us, the BRLM and the Underwriters to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in house research or sales reports, at bidding centres or elsewhere.

Disclaimer In Respect of Jurisdiction

This issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission if any), trust registered under the Societies Registration Act, 1860, as amended from time to time or any other trust law and who are authorised under their constitution to hold and invest in shares), permitted insurance companies, pension funds and to NRIs, FIIs, Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI. The Draft 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 Draft Red Herring Prospectus comes is required to inform himself / herself about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the jurisdiction of appropriate courts at Delhi, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under 233 the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE (the **designated stock exchange**).

"Bombay Stock Exchange Limited ("The Exchange") has given vide its letter dated [●] permission to this Company to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which the Company's securities are proposed to be listed. The Exchange has scrutinized this Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner-

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; or
2. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

3. 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 Prospectus 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 NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref. [●] dated [●] permission to the issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document nor does it warrant that our 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 of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with the Corporate Finance Department of SEBI at Plot No. C4-A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

A copy of the Draft Red Herring Prospectus, along with the documents required to be filed under section 60B of the Companies Act has been delivered and a copy of Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration to the Registrar of Companies, NCT of Delhi & Haryana, IFCI Tower, Nehru Place, New Delhi - 110 019.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity shares are not listed on any stock exchange in India.

BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non- Institutional portion and Retail portion.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our company shall forthwith repay, without interest all monies received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our company becomes liable to repay it (i.e. from the Date of Refusal or within 15 days from the date of Bid/Issue closing date whichever is earlier), then our Company, and every director of our Company who is an officer in default shall, on and from expiry of 8 days, will be jointly and severally liable to repay the money with interest @15% per annum on application money as prescribed under Section 73 of the Companies Act.

Our Company together with the assistance of the BRLM shall ensure that all steps for the completion of the necessary requirements for listing and commencement of trading at both the Stock Exchanges mentioned

above are taken within seven working days of finalisation and adoption of the basis of allotment for the offer.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- (a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
 - (b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name*
- shall be punishable with imprisonment for a term which may extend to five years.”*

Consents

Consents in writing of (a) our Promoters, Directors, Company Secretary and Compliance Officer, (b) the Auditors, (c) Legal Advisor, (d) Bankers to our Company, (e) Book Running Lead Manager, (f) Registrar to the Issue, (g) Bankers to the Issue, (h) Syndicate Members and (i) IPO Grading Agency to act in their respective capacities, have been obtained and would be filed along with a copy of this Draft Red Herring Prospectus with the RoC, NCT of Delhi & Haryana as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn upto the time of delivery of the Draft Red Herring Prospectus for registration with the RoC, NCT of Delhi & Haryana. Consents in writing of the underwriters will be obtained and filed along with the final prospectus and other relevant documents required to be filed under Section 60 of the Companies Act with RoC, NCT of Delhi & Haryana.

M/s Satish Aggarwal & Associates, Chartered Accountants, our Statutory Auditors have also given their written consent for inclusion of their report in the form and context in which it appears on page no. [●] in the Draft Red Herring Prospectus and such consent and report have not been withdrawn upto the time of delivery of a copy of the Draft Red Herring Prospectus for registration with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

Expert Opinion

Except as stated (a) in the section titled “Financial Statements” on page [●], (b) the “Statement of Tax Benefits” appearing on page [●], (c) the report provided by [●], IPO Grading Agency and given in annexeure on page [●] furnishing the rationale for its IPO Grading and (d) the cost of building estimate in the section titled “Objects of the Issue” furnished by Architect, we have not obtained any other expert opinion.

Expenses of the Issue

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

| Particulars | Amount Rs. Million* | % of Issue Size* | % of Issue Expenses* |
|---|------------------------|------------------|-------------------------|
| BRLM / Syndicate member fee | [●] | [●] | [●] |
| Underwriting & Selling Commission | [●] | [●] | [●] |
| Advertising & Marketing expenses | [●] | [●] | [●] |
| Registrar fee | [●] | [●] | [●] |
| Printing, Stationary, Dispatch | [●] | [●] | [●] |
| Other expenses (including listing fee, SEBI filing fee, Legal Counsel fee, Depository charges, Auditor’s fee, etc.) | [●] | [●] | [●] |
| Total | [●] | [●] | [●] |

* Will be incorporated after finalisation of the issue price at the time of the Prospectus.

The Issue expenses, except the listing fee, shall be shared between us in the proportion to the number of shares sold to the public as part of the Issue.

Fees Payable to the BRLM

The fees payable to the BRLM (including underwriting commission and selling commission) for the Issue will be as per the engagement letter from our Company to the BRLM and the Agreement dated September 18, 2009 executed between us and BRLM, copy of which are available for inspection at our registered office.

Fees Payable to the Syndicate Members

The fees payable to the Syndicate Members (including underwriting commission and selling commission) for the Issue will be as per the engagement letter dated from our Company to the Syndicate Members copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement between Registrar to the Issue and our company dated September 26, 2009, a copy of which is available for inspection at our Registered Office.

Adequate funds will be provided to the Registrar to the Issue by our Company to enable them to send refund orders or Allotment advice by registered post / under certificate of posting.

Previous Public / Rights Issues

Our Company has not made any public or rights issue of Equity Shares/Debentures since incorporation.

Issue of Shares otherwise than for Cash

Except as per details given below, our Company has not issued any Equity Shares for consideration other than cash since incorporation.

| Date of allotment | No. of shares allotted | Nature of allotment | Particulars |
|--------------------------|-------------------------------|----------------------------|--|
| March 26, 1996 | 1,350,000 | Bonus | Issued by utilizing accumulated profits lying to the credit of Profit & Loss account |
| March 31, 1999 | 4,320,000 | Other than cash | Issued pursuant to the scheme of amalgamation of Brecko Precision Engineering Private Limited with PCI Limited |
| March 30, 2007 | 7,917,749 | Bonus | Issued by utilizing amount lying to the credit of Capital Reserve, Profit & Loss Account and Revaluation Reserve |

Commission and Brokerage on Previous Equity Issues

Since this is the Initial Public Issue of our Equity Shares, no sum has been paid or is payable as commission and brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our incorporation.

Promises v/s Performance

Neither we, nor any of our Subsidiaries and Promoter Group Companies have made any public issue in past. Hence Promise v/s Performance is not applicable.

Listed Ventures of Promoters

Our promoter does not have any listed ventures.

Outstanding Debenture or Bond Issues

As on the date of filing of this Draft Red Herring Prospectus with SEBI, our Company does not have any outstanding Debentures or Bonds.

Outstanding Preference Shares

As on the date of filing of this Draft Red Herring Prospectus with SEBI, our Company does not have outstanding Preference Shares.

Stock Market Data for Our Equity Shares

This being an initial public offering of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Agreement between the Registrar to the Issue and us provides for retention of records with the Registrar to the Issue for a period of at least one year from the date of closing of this Issue.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details including name, address of the applicant, application number, number of shares applied for, amount paid on application, depository participant, demat account number and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Our Company has constituted “Corporate Governance and Investor Grievances Committee” to look into the redressal of shareholder / investor complaints such as Issue of duplicate / split / consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer / transmission of shares and debentures, complaints for non receipt of dividends etc. For further details on this committee, please refer under the head ‘Corporate Governance’ on page [●] of this Draft Red Herring Prospectus.

As on the date of filing of the Draft Red Herring Prospectus with SEBI, no investor complaints are pending with us.

Disposal of Investor Grievances

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs in case of ASBA Bidders for the redressal of routine investor grievances shall be 10 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.

We have appointed Mr. Raghav Shukla, Company Secretary as the Compliance Officer and he may be contacted at the following address in case of any pre-Issue or post-Issue-related problems:

Company Secretary and Compliance Officer

Mr. Raghav Shukla, Company Secretary & Chief Manager - Legal
PCI Limited
Prime Group Building
11/5B, Pusa Road,
New Delhi - 110 005
Tel.: +91 11 4188 8999
Fax: +91 11 2575 5815
Email: ipo@prime-pci.com
Website: www.pci-india.com

Changes in Auditors during the last five years

There have been no change in the Auditors during the last five years.

Capitalisation of Reserves or Profits

We have issued bonus shares on March 26, 1996 and March 30, 2007, details of which are mentioned under 'Notes to Capital structure' appearing on page [●] of this Draft Red Herring Prospectus.

Revaluation of Assets

We have not carried out any revaluation of assets. However the property situated at Plot No 287 - 288, Industrial Complex, Udyog Vihar Phase II, Gurgaon, Haryana was revalued in Brecko Precision Engineering Private Limited and the said revaluation reserve was carried in the books of our Company consequent to the order of Hon'ble High Court of New Delhi for amalgamation of Brecko Precision Engineering Private Limited with us.

TERMS OF THE ISSUE

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

Authority from the Company

This Issue has been authorised by the resolution passed by the Board of Directors in their meeting held on September 30, 2008 and special resolution passed pursuant to section 81(1A) of the Companies Act, at the extra ordinary general meeting of the shareholders of our Company held on October 03, 2008

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Face Value and Issue Price

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Red Herring Prospectus at the Price of [●] per Equity Share at the lower end of the Price Band and [●] per Equity Share at the upper end of the Price Band. The issue price will be determined by the Board of Directors of our Company in consultation with the BRLM on the basis of assessment of market demand for the equity shares offered by way of book building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meeting and exercise voting rights unless prohibited by law;
- Right to vote on poll either personally or by proxy;
- Right to receive offer for rights shares and the allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder under the Act, terms of the listing agreements with the Stock Exchanges(s) and the Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to among other things, voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., see the section entitled “Articles of Association of our Company” on page [●] of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialized form for all investors.

Since trading of the Equity Shares will be in dematerialised mode, the tradeable lot is one Equity share. Allocation and allotment of Equity Shares through this issue will be done only in electronic form in multiple of one Equity Share subject to minimum of [●] equity shares to the successful bidders.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

- a) to register himself or herself as the holder of the equity shares; or
- b) to make such transfer of the equity shares, as the deceased holder could have made.

Further, our 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 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/ authorities in New Delhi, India.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Offer through Offer Document including devolvement of the Underwriters within 60 days from the closure of the Issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

Arrangements for Disposal of Odd Lots

Since, our Equity Shares will be traded in dematerialised form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Restrictions, If Any on Transfer and Transmission of Equity Shares/ Debentures and on their Consolidation/ Splitting

Except as mentioned under the heading “Transfer of Securities” under section titled “Articles of Association of Our Company” on page [●] of this Draft Red Herring Prospectus, there are no restrictions on transfer / transmission on our Equity Shares.

Investors should note that in terms of Section 68B of the Companies Act, the Equity Shares would be allotted to all successful Bidders only 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.

Withdrawal of Issue

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

Period of Subscription

The subscription list for public issue shall remain open for atleast 3 working days and not more than 10 working days.

OFFERING INFORMATION

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein upto 50% of the Issue shall be allocated to QIBs on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining shall be available for allotment on a proportionate basis to Qualified Institutional Buyers including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, atleast 15% of the Issue would be allocated to Non-Institutional Bidders and atleast 35% of the Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

The ASBA Process

Supplementary process of applying in public issues through Bid cum Applications Supported by Blocked Amount for certain eligible Retail Individual Investors, who qualify as ASBA Investors

Note: The process of bidding through the ASBA process by ASBA Investors under the SEBI Circular dated July 30, 2008 may be subject to change from time to time which may either be of a clarificatory nature or otherwise and ASBA Investors are advised to make their own judgment about investment through this process prior to submitting a Bid-cum-ASBA Form to a SCSB.

In addition to the current process of applying through Bid-cum-Application Forms, wherein a cheque is used as a mode of payment, SEBI, by its circular no. SEBI/CFD/DIL/DIP/31/2008/30/7 dated July 30, 2008 has introduced an optional and supplementary process for applying in public issues by ASBA Investors, viz. the Application Supported by Blocked Amount ("ASBA"), containing an authorization to block the application money in a bank account held with a Self Certified Syndicate Bank.

Only those Retail Individual Bidders who qualify as ASBA Investors are eligible to submit their Bids through the ASBA process. Investors other than ASBA Investors are required to follow the process as mentioned under Bid-cum-Application Form beginning on page [●] of the Draft Red Herring Prospectus.

Who can Bid as an ASBA Investor?

- a. is a "Resident Retail Individual Investor";
- b. is bidding at cut-off, with single option as to the number of shares bid for;
- c. is applying through blocking of funds in a bank account with the SCSB;
- d. has agreed not to revise his/her bid;
- e. is not bidding under any of the reserved categories

An ASBA Investor shall only use a Physical Bid-cum-Application form Supported by Blocked Amounts ("Physical Bid Cum ASBA Form") or Electronic Bid-cum-Application form Supported by Blocked Amounts ("Electronic Bid Cum ASBA Form") and collectively ("Bid Cum ASBA Form") available with the SCSB which shall be submitted either physically or electronically as the case may be through the internet banking facility, to the Designated Branches ("DB") of the SCSB with whom the bank account to be blocked, is maintained by such ASBA Investor.

SCSB is a bank, registered under the SEBI (Bankers to the Issue) Regulations 1996, which offers the facility of applying through the ASBA process and has its name included in the SEBI's list of SCSBs displayed on its website at www.sebi.gov.in. Bid-cum-ASBA forms can be accepted only by SCSBs.

A SCSB shall identify its DBs at which an ASBA investor shall submit the bid-cum-ASBA forms and shall also identify the CB which shall act as a coordinating branch for the Registrar to the Issue, Stock Exchanges and BRLM. The SCSB may identify new DBs for the purpose of ASBA process and intimate details of the same to SEBI, after which SEBI will add the DB to the list of SCSBs maintained by it.

The ASBA investor should ensure that it has a Savings Account with the DB, to be eligible for making an application through ASBA. The Investor should check the SEBI website, www.sebi.gov.in, for details of the DBs.

A soft copy of the Abridged Prospectus would also be made available on the website of the SCSB, along with the Electronic Bid Cum ASBA Form, so as to enable an ASBA Investor to confirm that he/she has read and understood the terms and conditions of the Abridged Prospectus, before applying in the Issue.

Bid-cum-ASBA Form

The prescribed colour of Physical Bid-cum-ASBA Form is Green.

The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and Bid cum ASBA Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the Bid cum ASBA Form and that the same are made available on the websites of the SCSBs, Stock Exchange(s) and BRLM.

ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the Bid cum ASBA Form can obtain the same from the Designated Branches of the SCSBs or the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

An ASBA Investor shall only use the Bid-cum-ASBA Form for making a Bid in terms of the Red Herring Prospectus which shall be submitted either electronically or physically to the SCSB with whom the bank account to be blocked is maintained. The ASBA Investor shall have only one option as to the number of Equity Shares Bid for. The SCSB shall give an acknowledgement specifying the application number to the ASBA Investor as proof of having accepted the Bid in physical or electronic form. The SCSB shall then block the application money in the bank account of such ASBA Investor held with the SCSB specified in the Bid-cum-ASBA Form, on the basis of an authorisation to this effect given by the ASBA Investor and thereafter upload the Bid Cum ASBA in the electronic bidding system of the Stock Exchange. In case sufficient funds are not available in the account of the ASBA Investor, SCSB shall reject the Bid cum ASBA and shall not upload such Bids with the Stock Exchanges.

Upon completing and submitting the Bid-cum-ASBA Form to a SCSB, either electronically or physically, as has been elaborated hereinbelow, the ASBA Investor is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-ASBA Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the ASBA Investor.

Method and Process of Bidding for ASBA Investors

1. An ASBA Investor, shall submit a completed Bid –cum- ASBA Form to a SCSB, with whom the bank account to be blocked, is maintained, by either submitting the Bid-cum-ASBA Form physically with the Designated Branches of the SCSB or submit the Bid-cum-ASBA Form electronically through the internet banking facility offered by the SCSB. In case of an electronic upload of the Bid-cum-ASBA Form, the ASBA Investor himself shall fill in all the abovementioned details, except the application number which shall be system generated.
2. The SCSB shall give an acknowledgement specifying the application number to the ASBA investor, as a proof of having accepted his/ her ASBA in a physical or electronic mode.
3. After accepting an ASBA, the SCSB shall block funds available in the bank account specified in the Physical ASBA, to the extent of the application money specified in the ASBA; only thereafter the SCSB shall capture/upload the following details in the electronic bidding system provided by the Stock Exchanges:

- (i) Application number
- (ii) DP ID, Client ID
- (iii) Bid Quantity
- (iv) PAN

4. In case of an electronic upload of the Bid-cum-ASBA Form, the SCSB shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

5. The SCSB shall generate a Transaction Registration Slip/ order number, confirming upload of ASBA details in the electronic bidding system of the Stock Exchanges. The Transaction Registration Slip number shall be given to the ASBA investor as a proof of uploading the details of ASBA, only on demand.

6. The SCSB shall also ensure that the amount blocked by it in the bank accounts specified in the ASBA form shall be available at all times for giving to the Issuer at the time of finalization of allotment.

Mode of Payment

Upon submission of an Bid cum ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or Bid cum ASBA Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum ASBA Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI ICDR Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or withdrawal of bids by ASBA Investor or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

i) it has received the ASBA in a physical or electronic form; and
 ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for

book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock

Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.

d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- Depository Participant identification No.; and
- Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).

e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs. The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.

f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

g) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.

h) The SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLM, the Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Issuance of Confirmation of Allocation Note

The dispatch of the CAN to an ASBA Investor shall be deemed to be a valid, binding and irrevocable contract for the ASBA Investor, whose funds shall thereafter be unblocked by the SCSB and shall be transferred to the ASBA Public Issue Account for the payment of the entire Issue Price for allocation for all the Equity Shares transferred to such ASBA Investor.

Terms of Payment and Payment into the Public Issue Account by the SCSB

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar shall provide the following details to the SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the ASBA Public Issue Account on a date falling within 15 days from the Bid/Issue closing date as informed by the Book Running Lead Manager.

1. Number of shares to be allotted against each valid ASBA
2. Amount to be transferred from the relevant bank account to the ASBA Public Issue Account, for each valid ASBA
3. The date by which the funds referred to in sub-para (2) above, shall be transferred to the ASBA Public Issue Account
4. Details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/

unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts.

General Instructions

Do's:

- a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is green in colour).
- d. Ensure that your Bid is at the Cut-off Price.
- e. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
- f. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue.
- g. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- h. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
- i. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- j. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- k. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- l. Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- m. Ensure that the name(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.
- n. Ensure that the Demographic Details are updated, true and correct, in all respects

Don'ts:

- b. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- c. Do not submit an ASBA Bid if you are applying under any reserved category.
- d. Do not revise your Bid.
- e. Do not Bid for lower than the minimum Bid size.
- f. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- g. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- h. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- i. Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000.
- j. Do not submit the GIR number instead of the PAN Number.
- k. Do not instruct your respective bank to release the funds blocked in the bank account under the ASBA process.

Specific Instructions for ASBA Investors and grounds for rejection of Bids:

- Check whether you are eligible to apply as an ASBA Investor. If you are not covered by the definition of an “ASBA Investor”, the Bid shall be rejected
- Check all the details entered into the Bid-cum-ASBA Form are correct. If the DP ID, Client ID or PAN furnished by the ASBA Investor in his Bid-cum-ASBA Form is incorrect or incomplete, the ASBA shall be rejected and the Issuer or the SCSB shall not be liable for losses, if any. The Registrar to the Issue shall inform each SCSB about errors, if any, in the bid details, along with an advice to send the rectified data within the time as specified by the Registrar.
- The Registrar shall match the reconciled data with the depository’s database for correctness of DP ID, Client ID and PAN. In case any DP ID, Client ID or PAN mentioned in the bid file for ASBAs does not match with the one available in the depository’s database, such ASBA shall be rejected by the Registrar.
- The Registrar to the Issue shall reject multiple ASBAs determined as such, based on common PAN.
- Ensure that multiple ASBAs are not submitted
- Ensure that bids are submitted on Bid-cum-ASBA Forms meant only for ASBA Investor.
- Ensure that bids are made only at “cut-off”
- Ensure that the ASBA Investor is not Bidding under any of the reserved categories, failing which the Bid-cum-ASBA Form shall be rejected.
- Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that the bank account specified in the ASBA does have sufficient credit balance to meet the application money, in absence of which the application shall be rejected by the SCSB.
- Ensure that you have authorised the SCSB to do all acts as are necessary to make an application in this Issue, including uploading of his Bid, blocking or unblocking of funds in the bank account maintained with the SCSB specified in the ASBA, transfer of funds to the ASBA Public Issue Account on receipt of instruction from the Registrar to the Issue after finalisation of the basis of allotment entitling yourselves to receive shares on such transfer of funds, etc, failing which the Bid-cum-ASBA Form shall be rejected.
- Bid-cum-ASBA forms should bear the stamp of the Syndicate Member and / or Designated branch of SCSB. Bid-cum-ASBA forms which do not bear the stamp will be rejected.
- Ensure that you have authorised the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the ASBA, upon finalisation of the basis of allotment and to transfer the requisite money to the ASBA Public Issue Account failing which the Bid-cum-ASBA Form shall be rejected.
- Ensure that you don’t submit your Bid after the closing time of acceptance of Bids on the last day of the bidding period, in which case the same shall be rejected by the SCSB.

Revision of Price Band

SCSB shall ensure that information about revision in the Bidding Period or price band, as and when received, is communicated and effected to in its systems promptly, for information of ASBA Investors.

Withdrawal of Bids

In case an ASBA investor wants to withdraw his ASBA during the bidding period, he shall submit his withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account. In case an ASBA Investor wants to withdraw his ASBA after the Bid/ Issue Closing Date, he shall submit the withdrawal request to the Registrar. The Registrar shall delete the withdrawn Bid from the bid file.

Other Information

In case of failure or withdrawal of the Issue, on receipt of appropriate instruction from the Book Running Lead Manager, the SCSB shall unblock the bank accounts latest by the next day of receipt of such instruction.

The SCSB shall not accept any Bid Cum ASBA after the closing time of acceptance of Bids on the last day of the Bidding period.

Unblocking of Funds

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar shall provide the following details to the Controlling Branch of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the ASBA Public Issue account within the timelines specified in the ASBA process:

- (i) Number of shares to be allotted against each valid ASBA
- (ii) Amount to be transferred from the relevant bank account to the ASBA Public Issue account, for each valid ASBA
- (iii) The date by which the funds referred to in sub-para (b) above, shall be transferred to the ASBA Public Issue account
- (iv) Details of rejected Bid Cum ASBA, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts. SCSB shall thereafter unblock the amounts blocked in the account of the ASBA Investor.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications is described in “Offering Information - Multiple Bids” on page 193 of this Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR Regulations, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section “Offering Information - Basis of Allocation” on page of this Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under “Offering Information - Undertaking by our Company”, with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Offering Information (Other than ASBA Bidders)

Current process of applying through a Bid-cum-Application Form wherein a cheque is used as a mode of payment

Bidders are required to submit their Bids through the BRLM and/or their affiliates. Further, QIB Bids can be submitted only through BRLM / Syndicate Members. In case of QIB Bidders, the Company in consultation with the BRLM, as the case may be, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would only have the right to reject the Bids only on technical grounds.

Investors should note that in terms of Section 68B of the Companies Act, the Equity Shares would be allotted to all successful Bidders only 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 this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allotment of Equity Shares, dispatch of the CAN / Allocation Advice 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 our Company to make the necessary changes in this Draft Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed color of the Bid cum Application Form for various categories is as follows:

| Category | Color of Bid cum Application Form |
|--|-----------------------------------|
| Indian public, Eligible NRIs applying on a non-repatriation basis | White |
| Non Residents, Eligible NRIs, or FIIs, Foreign Venture Capital Funds registered with SEBI, Multilateral and Bi-lateral Development Financial Institutions applying on a repatriation basis | Blue |

Who Can Bid

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. 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;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares;
4. Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and SEBI ICDR Regulations and regulations, as applicable);
6. Venture Capital Funds registered with SEBI;

7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;
9. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorized under their constitution to hold and invest in Equity Shares;
10. Eligible Non Residents including NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws;
11. FIIs registered with SEBI;
12. Scientific and/or Industrial Research Organizations authorized to invest in Equity Shares;
13. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
14. As permitted by the applicable laws, Provident Funds with minimum corpus of Rs. 250 million (or 2500 Lakhs) and who are authorized under their constitution to hold and invest in Equity Shares;
15. Pension Funds with minimum corpus of Rs. 250 million (or 2500 Lakhs) and who are authorized under their constitution to hold and invest in Equity Shares;
16. Multilateral and Bilateral Development Financial Institutions; and
17. Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

Note: The BRLM and Syndicate Member(s) 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 and Syndicate Members 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.

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 the applicable law.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 2,500,000 Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion, i.e. 125,000 equity shares. The remaining demand by Mutual Funds, if any, shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remaining of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the Asset Management Companies or Custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as Multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Restriction on Foreign ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy of the Government of India 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 the Indian economy upto any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. No person shall make a Bid in pursuance of this Issue unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors making a bid in response to the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM, 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 subscribe to the Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLM, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of our Company.

Investment by NRIs / FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Resident, NRI and FII 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 or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, 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.

Bids by Eligible NRIs

1. Bid cum application forms have been made available for NRIs at our registered office, members of the Syndicate or the Registrar to the Issue.
2. NRI applicants may note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians

Bids by FIIs

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 (i.e., 10% of 18,782,749 Equity Shares). 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.

With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go upto 100%. However, as of this date, no such resolution has been recommended for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals, including in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, and pursuant to SEBI's press release number 286 of 2007 dated October 25, 2007, an FII 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 on any stock exchange in India only in favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity. Associates and affiliate of the Underwriters, including the BRLM and Syndicate, that are FIIs may issue off shore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/ foreign venture capital investor provided not more than 25% of the corpus of an Indian Venture Capital Fund should be invested in one Venture Capital Undertaking. However, the aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could go upto 100% of our Company's paidup equity capital.

The SEBI has issued an amendment on October 16, 2006 stating that the shareholding of SEBI registered Venture Capital Funds held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for atleast one year prior to the time of filing the Draft Red Herring Prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make to their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid size

- a) **For Retail Individual Bidders:** The Bid must be for minimum [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to maximum bid amount of Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision in bid or revision of the Price Band or on exercise of Cut-off price option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off price option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- b) **For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares such that the Bid Amount exceeds Rs. 100,000. 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 under applicable laws. Under existing SEBI ICDR Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000, for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders do not have the option of bidding at 'Cut-off price'.

Information for the Bidders

1. The Company will file the Draft Red Herring Prospectus with the RoC atleast 3 (three) days before the Bid/ Issue Opening Date.
2. The Company and BRLM shall declare the Bid / Issue opening date, Bid / Issue closing date and Price Band at the time of filing of the Draft Red Herring Prospectus with the ROC and also publish the same in accordance with the provisions of Section 66 of the Companies Act and shall be in the format as prescribed in Schedule XIII to the SEBI ICDR Regulations.
3. The members of the Syndicate will circulate copies of the Draft Red Herring Prospectus alongwith the Bid-cum-Application Form to potential investors.

4. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Draft Red Herring Prospectus/ Red Herring Prospectus/Bid-cum-Application Form can obtain the same from our Registered Office or from the BRLM or from a member of the Syndicate or their authorized agent(s) to register the bids.
5. Investors who are interested in subscribing for our Company's Equity Shares should approach the BRLM or Syndicate Member or their authorized agent(s) to register their Bid.
6. The Bids should be compulsorily submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. The Bid-cum-Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.

Method and Process of bidding

1. We, with the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus filed with RoC and publish the same in two national newspapers (one each in English and Hindi). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI ICDR Regulations. The members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
2. The bidding centres and collection centres shall be at all the places, where the recognised stock exchanges are situated.
3. Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
4. The Bidding Period shall be a minimum of 3 (three) working days and not exceeding 7 (seven) working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and the Bidding Period may be extended, if required, by an additional 3 (three) working days, subject to the total Bidding Period not exceeding 10 (ten) working days.
5. QIBs shall place their bids only through the member of syndicate, who shall have the right to vet the bids.
6. Each Bid cum Application Form will give the Bidder the choice to bid for upto three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" as given below) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cummulated. 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.
7. 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 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 "Build up of the Book and Revision of Bids" on page [●] of this Draft Red Herring Prospectus.
8. 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 upto three TRSs for each Bid cum application Form. It is the responsibility of the bidder to obtain the TRS from the Syndicate Member.
9. 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 the Escrow Collection Account" on page [●] of this Draft Red Herring Prospectus.

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the floor of the Price-Band and Rs. [●] being the cap of the Price Band. The Bidders can bid at any price within the price Band, in multiples of Re. 1. The minimum application value shall be within the range of Rs. 5,000 to Rs. 7,000.

2. In accordance with SEBI ICDR Regulations, our Company in consultation with the BRLM in accordance with this clause, without the prior approval of, or intimation, to the Bidders, can revise the Price Band. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus. In case of a revision in the Price Band, the Issue will be kept open for a further period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
3. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the Stock Exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and also indicating the change on the relevant websites of the BRLM and the terminals of the members of the Syndicate.
4. Our Company in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.
5. 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 applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIBs, Non Institutional Bidders and such Bids shall be rejected.
6. Retail Individual Bidders who bid at the Cut-off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, the Bidder shall receive the refund of the excess amounts from the Refund Account.
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.100,000 the Bid will be considered for allocation under the Non-Institutional category in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downward for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidders shall be deemed to have approved such revised Bid at Cut-off Price.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.
9. In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application Size will be suitably revised such that the minimum application falls within the range of Rs. 5,000/- to Rs. 7,000/-.

Build Up of the Book and Revision of Bids.

- a. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on on-line basis. Data would be uploaded on a regular basis.
- b. The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.
- c. During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- d. Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

- e. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she has placed the original Bid. Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.
- f. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Draft Red Herring Prospectus. In case of QIBs, 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.
- g. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Electronic Registration of Bids

- a. The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be atleast one NSE/ BSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.
- b. NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid / Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by NSE and BSE.
- c. The aggregate demand and price for Bids registered on their electronic facility of NSE and BSE will be uploaded on a regular basis and display graphically the consolidated demand at various price levels. This information can be assessed on BSE's website at www.bseindia.com or on NSE's website at www.nseindia.com.
- d. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the online system:
 - Name of the bidder (Bidders should ensure that the name given in the Bid cum application form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form).
 - Investor Category – Individual, Corporate, NRI, QIBs, FII, Mutual Fund, etc.
 - Numbers of Equity Shares bid for.
 - Bid price and applicable Margin Amount.
 - Bid-cum-Application Form Number.
 - Whether payment is made upon submission of Bid-cum-Application Form.
 - Depository Participant Identification Number and Client Identification Number of the Demat Account of the Bidder.
- e. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
- f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- g. Consequently, all or any of the members of the Syndicate may reject QIB Bids provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of such rejection. In case of Bidders under Non-Institutional Bidders and Retail Individual Bidders, bids would not be rejected except on the technical grounds listed on Page [●] of this Draft Red Herring Prospectus.
- h. It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLM are cleared or

approved by NSE and BSE; 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 Promoter, our Management or any scheme or project of our Company.

- i. It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.
- j. Only Bids that are uploaded on the Online IPO system of the NSE and BSE shall be considered for allocation. In case of discrepancy of data between the NSE or the BSE and the members of the syndicate, the decision of the BRLM, based on the physical records of Bid cum Application Form, shall be final and binding in all concerned.

Application in the Issue

Equity Shares being offered through this Draft Red Herring Prospectus should be applied for in dematerialised form only.

Escrow Mechanism

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor 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 respective Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account of our Company. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer an amount equivalent to Issue proceeds (i.e. Final Issue price multiplied by the number of Equity Shares allotted through this issue) from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our Company and the balance amount shall be transferred to the Refund Account, from where payment of refund to the Bidders shall be made.

The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between us, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Each category of Bidder shall pay the applicable Margin Amount with the submission of the Bid-cum-Application Form draw a cheque/ demand draft for the maximum amount of his/ her Bid in favor of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph “Payment Instructions” on Page No. [●] of this Draft 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 or stockinvest shall not be accepted. The maximum bid price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account. Not later than 15 days from the Bid / Issue Closing Date, our Company will instruct the Refund Banker to refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders.

The Margin Amount payable by each category of Bidders is mentioned under the heading “Issue Structure” on page [●] of this Draft Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity

Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the Registrar to the Issue. If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable margin amount for the Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid-Cum-Application Form. QIB Bidders will be required to deposit a margin of 10% at the time of submitting of their Bids.

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 Closing Date/Issue Closing Date failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Signing of Underwriting Agreement and RoC Filing

1. We, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price.
2. After signing the Underwriting Agreement, we will update and file the updated Red Herring Prospectus with RoC, which then would be termed as 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.
3. We will file a copy of the Prospectus with Registrar of Companies, NCT Delhi and Haryana in terms of section 56 and section 60 of the Companies Act.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

General Instructions

Do's:

1. Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Draft Red Herring Prospectus.
2. Read all the instructions carefully and complete the Bid-cum-Application Form [(White) or (Blue) in colour] as the case may be;
3. Ensure that the details about Depository Participant and beneficiary account are correct;
4. Ensure that the Bids are submitted at the bidding centres only on Bid cum Application forms bearing the stamp of a member of the Syndicate;
5. Ensure that you have been given a TRS for all your Bid options;
6. Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
7. Ensure that the bid is within the price band;
8. Investors must ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the Beneficiary Account is held with the Depository Participant. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the beneficiary account is held in the same joint names and in the same sequence as they appear in the Bid-cum-Application Form;
9. The bidder should mention their PAN allotted under the I.T. Act in the Application cum Bid form irrespective of the amount for which application is made. In case of joint holders, all the holders should mention their PAN in the application form. Any application without PAN details are liable to be rejected.

Don'ts:

1. Do not Bid for lower than minimum Bid size;
2. Do not Bid or revise the Bid Price to less than floor price or higher than the cap price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
4. Do not pay Bid amount in cash, through Stock Invest, by money order or postal order;
5. Do not Bid at cut off price (for QIB Bidders and Non-Institutional Bidders);
6. Do not fill up the Bid cum Application Form such that the Equity shares bid for exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Draft Red Herring Prospectus;
7. Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.
8. Do not provide your GIR number instead of PAN number;
9. Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

Instructions for Completing the Bid-Cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from our Registered Office or from the BRLM or from a member of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians and blue colour for NRI or FII or foreign venture capital fund registered with SEBI applying on repatriation basis).
2. 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.
3. The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum of Rs. 100,000.
4. For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.
5. In single name or in joint names (not more than three and in the same order as their Depository Participant details).
6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account Details

IN TERMS OF SECTION 68B OF THE COMPANIES ACT, IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALIZED FORM IN THIS ISSUE. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Investors are advised to instruct their Depository Participant to accept our equity shares that may be allocated to them pursuant to this Issue.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the

Bidders such as address, occupation, bank account details for printing on refund orders / refund advices or for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT (hereinafter referred to as Demographic Details). Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company or the registrar or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/refund advice / for credit of Refunds through ECS or Direct Credit or RTGS or NEFT for refunds/CANs/Allocation Advice and printing of Bank particulars on the refund order / refund advice and the Registrar would not use the Demographic Details given by Bidders in the Bid-cum-Application Form for these purposes. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Advice / Refund Orders/ Allocation Advice/ CANs would be mailed at address of the first Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ refund advice/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company nor the Registrar nor the Escrow Collection Banks nor the 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 interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, 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.

Bids by non-residents including NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post 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 Bidcum-Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI Regulations, OCBs cannot participate in this Issue.

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 Fund applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies or 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 & 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 reject such Bids in whole or in part, without assigning any reason therefore.

In case of Bids made pursuant to a Power of Attorney by FIIs, FVCFs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserve the right to reject such Bids in whole or in part, without assigning any reason therefore.

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the Certificate of Registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, our Company reserve the right to reject such Bids in whole or in part, without assigning any reason therefore.

In case of Bids made by provident fund with the minimum corpus of Rs. 2500 lakhs and pension fund with the minimum corpus of Rs. 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, our Company reserve the right to reject such Bids in whole or in part, without assigning any reason thereof.

Our Company in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as our Company / BRLM may deem fit.

Payment Instructions

The Company and the members of the Syndicate shall open an Escrow Account with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the 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 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 for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account

1. The Bidders shall draw a Payment Instrument for the applicable margin in favor of the Escrow Account with the submission of the Bid-cum-Application Form and submit the same to the members of the Syndicate. For categories other than QIBs, the applicable margin amount is equal to 100%, whereas for QIBs it is 10%.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of our Company within the period specified in the Intimation Note /

CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - a. In case of resident QIB bidders: **“Escrow Account - PCI Public Issue - QIB R”**
 - b. In case of non - resident QIB bidders: **“Escrow Account - PCI Public Issue - QIB NR”**
 - c. In case of Resident Retail and Non-Institutional Bidders: **“Escrow Account - PCI Public Issue - R”**
 - d. In case of Non Resident Retail and Non Institutional Bidders (on repatriable basis) : **“Escrow Account - PCI Public Issue - NR”**
4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
6. In case of Bids by FIIs, FVCIs registered with SEBI the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
7. Where a Bidder has been allocated a lesser number of Equity Shares than what the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
8. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
10. 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.

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/ stock invest/money orders/ postal orders will not be accepted. Investors in the QIB category may also make payments by RTGS.

Bidders are advised to mention the number of Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Forms.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stock invest will not be accepted.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts shall be submitted to the member of the syndicate at the time of submitting the Bid. No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member 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 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 communication 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 in single or joint names will be deemed to be multiple bids if the sole and/or first bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are set forth below:

1. All applications with the same name and age will be accumulated and taken to a separate process file, which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
4. The applications will be scanned for similar DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
5. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

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 applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Unique Identification Number (UIN)

SEBI has through its circulars dated July 25, 2007 and September 7, 2007, discontinued the use of UIN.

Our Right to Reject Bids

In case of QIB Bidders, Our Company in consultation with the BRLM may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, we have the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft or ECS or Direct Credit and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds, including the following:-

- Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
- 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;
- Age of First Bidder not given;
- Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
- PAN Number is not given;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids for number of Equity Shares, which are not in multiples of [●];
- Bank details not provided in the space provided in the Bid cum application form;
- Category not ticked;
- Multiple bids as defined in this Draft Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stock invest/money order/ postal order/ cash;
- Bids not duly signed by the sole/joint Bidders;
- Bid-cum-Application Form does not have the stamp of the BRLM / Syndicate Member(s);
- Bid-cum-Application Form does not have Bidder's depository account details;
- Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid-cum-Application Form;
- Bids for amounts greater than the maximum permissible amounts prescribed by the relevant regulations;
- 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;
- Bids by OCBs;
- Bids by U.S. persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act.
- Bids by NRIs not disclosing their residential status.
- Bids where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s); and
- Bids by persons prohibited from buying, selling or dealing in shares directly or indirectly by SEBI or any other regulatory authority.
- Bids in respect where the Bid cum Application form do not reach the Registrar prior to the finalisation of the basis of allotment;
- Bids not uploaded in the Book would be rejected; and

- Bids or revision thereof by QIB Bidders and Non - Institutional Bidders where the Bid amount is in excess of Rs. 100,000, uploaded after 4.00 p.m. or any such time as prescribed by Stock Exchange on the Bid / Issue closing Date.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM shall analyse the demand generated at various price levels and discuss pricing strategy with our Company.
2. The Company in consultation with the BRLM shall finalize the Issue Price and the number of Equity Shares to be allotted in each investor category.
3. The allocation in the Issue to Non-Institutional Bidders and Retail Individual Bidders of atleast 15% and 35% of the Issue respectively, and the allocation to QIBs for upto 50% of the Issue, would be on proportionate basis, in the manner specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
4. In case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Bidders shall be made on a proportionate basis. Upto 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders out of which 5% shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation on proportionate basis in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB portion the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids. Further, atleast 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and atleast 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
5. Undersubscription, if any, in any category would be met with spillover from other categories in accordance with applicable laws, regulations and guidelines.
6. QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in the various categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional margin money within a period of two days from the date of the letter communicating the request for such additional margin money.
7. The BRLM, in consultation with our Company shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
8. Allocation to NRIs, FIIs registered with SEBI or Mutual Funds or FVCIs registered with SEBI will be subject to applicable laws, rules, regulations, guidelines and approvals.
9. Our Company in consultation with the BRLM reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Board meeting for Allotment without assigning reasons whatsoever.
10. In terms of SEBI ICDR Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid / Issue Closing Date.
11. The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) The Company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s)/ Allotment to the Bidders.
- (b) 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.
- (c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.
- (d) The Company will issue an advertisement after the filing of the Prospectus with the RoC in two national newspapers (one each in English and Hindi). This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any

material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Intimation Note and Confirmation of Allocation Note to bidders, other than QIBs

a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Bidders and Non-Institutional Bidders. The investor should note that our Company shall ensure that the demat credit of the Equity Shares pursuant to Allotment shall be made on the same date to all the investors in this Issue.

b) The BRLM or the members of the Syndicate would then send the 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 Balance Amount Payable for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the Bid Amount in full into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

c) Bidders who have been allocated Equity Shares and who have already paid 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 their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

Issuance of Intimation Note and Confirmation of Allocation Note to QIB bidders.

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. In addition, there are foreign investment limitations applicable to the Company, which may result in a change (including potentially a decrease) in the number of Equity Shares being finally allotted to Non Resident investors (including FIIs). As a result, a revised CAN may be required to be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date, Allotment of Equity Shares and Transfer of Funds to Public Issue Account

- a. Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, we would allot the Equity Shares to the allottees and would ensure the credit to the successful Bidder's depository account within two working days from the date of allotment.
- b. As per SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the allottees.
- c. After the funds are transferred from the Escrow Accounts to the Issue Account on the Designated Date, our Company will allot the Equity Shares to the Allottees.
- d. Successful Bidders will have the option to rematerialize the Equity Shares so allotted/transferred 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.

Disposal of Applications and Application Money

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

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 68 centres as mentioned below will get refunds through ECS (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclose as eligible to get refunds through Direct Credit, NEFT or RTGS.

The payment of refund, if any, would be done through various modes as given hereunder:

1. **ECS** – Payment of refund would be done through ECS for Investors having an account at any centre where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for Investors having a bank account at the centers where ECS facility has been made available by the RBI (subject to availability of all information for crediting the refund through ECS), except where the Investor, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
3. **Direct Credit** – Applicants applying through the web/internet whose service providers opt to have the refund amounts for such applicants being by way of direct disbursement by the service provider through their internal networks, the refund amounts payable to such applicants will be directly handled by the service providers and credited to bank account particulars as registered by the applicant in the demat account being maintained with the service provider. The service provider, based on the information provided by the Registrar, shall carry out the disbursement of the refund amounts to the applicants.
4. **RTGS** – Applicants having a bank account at any of the abovementioned 68 centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by Our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value less than Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places

where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of any category of applicants specified by SEBI, the refund will be credited to the applicants in any other electronic manner permissible under the Banking laws for the time being in force which is permitted by SEBI from time to time.

Letters of allotment or refund orders

The Company shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 2 (Two) working days from the Date of Allotment. Applicants residing at centres where ECS facility has been made available by the RBI will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value less than Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders for Rs. 1,500 and above, 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 sent a letter (Refund Advice) through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue 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.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;
- Refunds shall be made within 15 days from the Bid/Issue Closing Date at the sole or first Bidder's sole risk, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment letters/refund orders are not dispatched or refund instructions have not been given to the clearing system in the manner disclosed above.

Our Company will provide adequate funds required to the Registrar to the Issue for refunds to unsuccessful applicants or allotment advice.

Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the bidders within 15 days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

The bank account details for ECS/ Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories' database and hence bidders are required to ensure that bank details including MICR code maintained at the depository level are updated and correct.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of finalization of the basis of allotment.

Refunds will be made by Direct Credit, ECS, RTGS cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest in case of delay in Despatch of Allotment Letters/Refund Orders / Instructions or Instructions to Self Certified Syndicate Banks by the Registrar:

The issuer agrees that allotment of securities offered to the public shall be made not later than fifteen days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of 15% per

annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the date of the closure of the Issue.

Basis of Allotment or Allocation

For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
2. Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 1,750,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
4. If the aggregate demand in this category is greater than 1,750,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis upto a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

For Non Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
2. The Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 750,000 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
4. In case the aggregate demand in this category is greater than 750,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis upto a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allotment refer below.

For QIB Bidders

1. 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.
2. 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.
3. Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Portion shall be determined as follows:
 - (i) In the event that Bids from Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 5% of the QIB Portion.
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full allotment to the extent of valid bids received at or 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) The number of Equity Shares available for this category shall be the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

- (ii) The subscription level for this category shall be determined based on the overall subscription in the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.
 - (iii) Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.
4. The aggregate allocation to QIB Bidders shall be at least 2,500,000 Equity Shares.
 5. In case the aggregate demand in this category is greater than 2,500,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis subject to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation refer below.

Under-subscription, if any, in any category would be allowed to be met with spillover from the other categories or a combination of categories. Such inter-se spill over, if any, would be affected in accordance with applicable laws, regulations and guidelines.

The BRLM, Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with SEBI ICDR Regulations. The drawal of lots (where required) to finalize the basis of allotment, shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Method of Proportionate Basis of Allotment

In the event the Issue is over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that 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 Draft Red Herring Prospectus under "Issue Structure".

The allotment shall be made in marketable lots, on a proportional basis as explained below:

- a) Bidders will be categorized according to the number of Equity Shares applied for by them.
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of shares applied for) multiplied by the inverse of the over-subscription ratio. The minimum allotment lot shall be the same as the minimum application lot, i.e. [●] equity shares, irrespective of any revisions to the Price Band.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares, applied for by each Bidder in that portion multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that portion is equal to the number of Equity Shares calculated in accordance with (b) above.
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
- e) If the proportionate allotment to a Bidder works out to a number that is more than [●] but is a fraction, the fraction would be rounded off to the higher whole number if that decimal is 0.5 or more. If that decimal is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category.

The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

UNDERTAKING BY OUR COMPANY

Our Company undertake the following:

1. that the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily
2. that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within seven working days of finalization of Basis of Allotment
3. that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrars to the Issue by us
4. that where the refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicants within 15 days of the closure of the issue giving details of the Bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. that the dispatch of Share Certificates / refund orders and demat credit is completed and the allotment and listing documents will be submitted to the Stock Exchanges within two working days of finalization of Basis of Allotment
6. that the certificates of the securities allotted / refund orders to the Non-Resident Indians shall be dispatched within specified time
7. that the Company agrees that it shall pay interest @ 15% p.a. if the allotment is not made and / or the refund orders are not dispatched to the investors within 15 days from the date of closure of the Issue for the period of delay beyond 15 days.
8. that no issue of securities shall be made till the securities offered through the Draft Red Herring Prospectus until the shares are listed or application moneys are refunded on account of non-listing, under subscription, etc.
9. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors certifies that:

- a) All monies received out of the Issue of shares shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956;
- b) Our Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from the Stock Exchanges.
- c) Details of all monies utilized out of the Issue referred to in (a) above shall be disclosed under an appropriate separate head in the balance sheet of our Company, indicating the purpose for which such monies have been utilized;
- d) Details of all unutilized monies out of the Issue of shares referred to in (a) above, if any, shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar:

- a. An Agreement dated [●] between NSDL, our Company and Registrar to the issue; and
- b. An Agreement dated [●] between CDSL, our Company and Registrar to the issue.

All bidders can seek allotment only in dematerialised mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

1. A Bidder applying for Equity Shares must have atleast one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
3. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
5. 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.
6. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form visà-vis those with his/her Depository Participant.

It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE, where Equity Shares are proposed to be listed, are connected to NSDL and CDSL. Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue. Investors are advised to instruct their DP to accept the Equity Shares that may be allocated to them, pursuant to the issue.

Pre and Post Issue Related Grievances:

We have appointed Mr.Raghav Shukla, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems, at the following address:

Mr. Raghav Shukla, Company Secretary & Chief Manager - Legal
PCI Limited
Prime Group Building
11/5B, Pusa Road,
New Delhi - 110 005
Tel.: +91 11 4188 8999
Fax: +91 11 2575 5815
Email: ipo@prime-pci.com
Website: www.pci-india.com

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.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

| Article No. | Particulars | Description |
|----------------------|---|---|
| SHARE CAPITAL | | |
| 3. | The Authorized Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association of the Company, with the power to sub-divide, consolidate and increase or decrease and with power from time to time, to issue any share of the original capital or any capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and upon the sub-division of a share to apportion the right to participate in profit in any manner as between the shares resulting from such sub-division. | Authorised Share Capital of the Company |
| 6. | <p>1. Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then:</p> <p>(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;</p> <p>(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company.</p> <p>2. Notwithstanding anything contained in sub clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.</p> <p>(a) If a special resolution to that effect is passed by the company in general meeting, or</p> <p>(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.</p> <p>3. Nothing in sub-clause (c) of (1) hereof shall be deemed:</p> <p>(a) To extend the time within which the offer should be accepted; or</p> <p>(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p> <p>4. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company:</p> <p>(i) To convert such debentures or loans into shares in the company; or</p> | Further issue of capital |

| Article No. | Particulars | Description |
|-------------|--|--|
| | <p>(ii) To subscribe for shares in the company</p> <p>Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>(a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.</p> <p>Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, 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 sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.</p> | |
| 7. | Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any share herein shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member. | Acceptance of shares |
| 9. | Except as required by law or order by a court of competent jurisdiction no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any benami, equitable contingent future or partial interest in any share or any interest in any fractional part of a share (except only by these presents or by law otherwise provided) or any other rights in respect of any share, other than an absolute right thereto, in accordance with these presents, in the person registered holder thereof. | Trust not recognised |
| 10. | None of the funds of the Company shall be applied in the purchase of any share of the Company and it shall not give any financial assistance for or in connection with the purchase or subscription of any share in the Company or in its holding Company save as provided by Section 77 of Act. | Funds not be applied in the purchase of its own shares |
| 11. | The certificates of titles to shares and duplicate thereof when necessary shall be issued under the seal of the Company. | Certificates |
| 12. | Every member shall be entitled, without payment to one or more certificate in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the directors may determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the condition of issue thereof otherwise provide, or within 2 months of receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be, every certificates of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe and approve, provided | Members right to certificate |

| Article No. | Particulars | Description |
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| | that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder. | |
| 13. | <p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the directors so decide or on payment of such fees(not exceeding Rs. 2 for each certificate) as the director shall prescribe, provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <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 rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of the Article shall mutatis mutandis apply to debentures of the Company.</p> | As to issue of new certificate in place of one defaced, lost or destroyed |
| 14. | Subject to the provisions of Section 76 of the Act, the Company may at anytime pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditional) for any shares or debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any share or debentures in the Company, but the commission shall not exceed in the case of shares 5 (five) per cent of the price at which the shares are issued, and in the case of debentures 2½ (two and a half) per cent of the price at which the debentures are issued. The Company may also pay on any issue of shares or debentures such brokerage as may be lawful and reasonable. | Commission for placing shares and brokerage |
| DEMATERIALIZATION OF SHARES | | |
| 16. | Dematerialisation: Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or to offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any. | Dematerialisation & re-materialisation |
| 17. | Options for Investors: Subject to Section 68B of the Act, every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in a manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificate of securities. | Option to investor for dematerialization |
| 18. | If a person opts to hold his securities with a depository, the Company shall intimate such depository the details of allotment of the Securities and on the receipt of the information, the Depository shall enter in its record the name of the allottees as the Beneficial owner of the Securities. | |
| 19. | Securities in Depositories to be in Fungible form: All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners. | Securities to be in fungible form |
| 20. | <p>Rights of Depositories & Beneficial Owners:</p> <p>a. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of</p> | Rights of Depositories and Beneficial owners |

| Article No. | Particulars | Description |
|--------------|---|---|
| | <p>effecting transfer of ownership of Securities on behalf of the Beneficial Owner.</p> <p>b. Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>c. Every Person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company.</p> <p>The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.</p> | |
| 21. | Service of Documents: Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by the delivery of floppies or discs. | Service of documents |
| 22. | Nothing contained in Section 108 of the Act, or these Articles shall apply to a transfer of securities affected by transferor and transferee both of whom are entered as Beneficial Owner in the records of a Depository. In the case of transfer or transmission of shares or other marketable securities where the company has not issued any certificates and where such shares or securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply. | Transfer of securities |
| 23. | Allotment of Securities dealt with in a Depository: Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant securities thereof to the Depository immediately on the allotment of such securities. | Intimation of allotment in demat form |
| 24. | Certificate No. etc. of securities in Depository: Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for securities issued by the Company shall apply to securities held with a depository. | Certificate / Distinctive nos. of securities issued in demat form |
| 25. | Register and Index of Beneficial Owners: The Register and Index of Beneficial Owner maintain by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Members and security holders for the purposes of these Articles. | Register and index of beneficial owners |
| CALLS | | |
| 26. | The Directors may from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotments, thereof made payable at fixed times and each member shall pay the amount of every call so made by him to the person and at the time and place appointed by the Directors. A call may be made payable by installments. | Calls |
| 27. | A Call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed, Not less than fourteen days notice of any call shall be given specifying the time and place of payment and to whom such call be paid. | When call deemed to have been made and notice to call |
| 28. | The Board may from time to time and at its discretion, extend the time fixed for the payment of any call and may extend such time as to call of any of the members who owing to residence at a distance or other cause, the Board may deem fairly entitled to such extension; but no member shall be entitled to such extension save as a matter of grace and favour. | Extension of time for payment of calls |
| 29. | If any member fails to pay any call, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board but nothing in this | Payment of interest on delay in calls |

| Article No. | Particulars | Description |
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| | Article shall render it obligatory for the Board to demand or recover from any such member and the Board shall be at liberty to waive payment of such interest either wholly or in part. | |
| 30. | If by the terms of issue of any shares or otherwise any amount is made payable on allotment or at any fixed date or installments at fixed times, whether on account of the amount of share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Directors and on which due notice had been given and all provisions herein contained in respect of call made to such amount or installment accordingly. | Amount payable at fixed times or by installments payable as calls |
| 31. | On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was when the claim arose on the Register of shareholder of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matter whatsoever but the proof of matters aforesaid shall be conclusive evidence of the debt. | Evidence in actions by Company against shareholders |
| 32. | The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advanced, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the directors agree upon provided that money paid in advance of call shall not confer a right to participate in profit or dividend. The directors may at any time repay the amount so advanced. The members shall not be entitled to any voting right in respect of the money so paid by him until the same would but for such payment, becomes presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company. | Payment of calls in advance |
| JOINT HOLDERS | | |
| 33. | Where two or more persons are registered as holders of any shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Presents: (a) Shares may be registered in the name of any person, company or other body corporate but not more than three persons shall be registered jointly as members in respect of any shares (b) The certificate of shares registered in the name of two or more persons shall be delivered to the person first named on the Register. (c) The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof (d) If any shares stands in the names of two or more persons, the persons first named in the register shall as regards receipt of share certificates, warrants dividends or bonus or service of notices and all or any other matter connected with the company, except voting at meetings, and the transfer of the shares, be deemed as sole holder thereof but the joint holders of share shall be severally as well as jointly liable for the payment of all installment and calls due in respect of such share and for all incidents thereof according to the Company's regulations. (e) In case of death of any one or more of the persons named in the register of members as the joint holders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but | Joint holder |

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| | <p>nothing herein contained shall be taken to release the estate of a deceased jointholder from any liability on shares held by him jointly with any other person.</p> <p>(f) If there be joint registered holders of any shares any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he was solely entitled thereto, provided that if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said persons so present whose name stands on the register of members shall alone be entitled to vote in respect of such shares, but the other or others joint holders shall be entitled to be present, at the meeting. Several executors or administrators of a deceased member in whose names shares stand shall for the purpose of these articles be deemed joint holders thereof.</p> <p>(g) A document or notice may be served or given by the Company on or to joint holder of a share by serving or giving the document or notice on the joint holder named first in the register of members in respect of the share.</p> | |
| FORFEITURE AND LIEN | | |
| 34. | If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the directors may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member 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. | If calls or installment not paid, notice must be given |
| 35. | The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made or installment is payable to be forfeited. | Form of notice |
| 36. | If the requisition of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may at any time thereafter before payment of all calls, installments, interest and expenses due in respect thereof, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. | If notice not compiled with shares may be forfeited |
| 37. | When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry so aforesaid. | Notice after forfeiture |
| 38. | Any share so forfeited shall be deemed to be property of the company and the directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit. | Forfeited share to become property of the Company |
| 39. | 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 on such conditions as they think fit. | Powers to annul forfeiture |
| 40. | Any member whose shares have been forfeited shall notwithstanding be liable to pay and shall forthwith pay to the Company 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 forfeiture until payment, at such rate as may be specified, and Directors may enforce the payment thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. | Arrears to be paid notwithstanding forfeiture |
| 41. | The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the company in respect of share and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved. | Effect of forfeiture |
| 42. | A duly verified declaration in writing that the declarant is a director or secretary of the | Evidence of |

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| | Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money nor shall his title to such shares be affected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale or disposal. | forfeiture |
| 43. | The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of the each member (whether solely or jointly with others) and upon the proceeds of the sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debenture and no equitable interest in any share shall be created except upon the footing and condition that this article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures wholly or in part to be exempt from the provisions of the clause. | Company's lien on shares |
| 44. | For the purpose of enforcing such lien, the directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such member, his executors or administrators or his committee curators bonis or other legal curator and default shall have been made by him or them in the payment of moneys called in respect of such shares for seven days after such notice. | As to enforcing lien by sale |
| 45. | The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and residue, if any, shall (subject to a like lien for sums not presently payable, as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale. | Application of proceeds of Sale |
| 46. | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the directors 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 in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. | Validity of sales upon forfeiture |
| 47. | Upon any sale, re-allotment or other disposal under the provisions of the proceeding Articles, the certificate or certificates originally issued in respect of the relative share 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 distinguishing it or them in such manner as they may think fit from the old certificate or certificates. | Cancellation of old certificates and issue of new |
| INCREASE, REDUCTION AND ALTERATION IN AUTHORISED ISSUED AND SUBSCRIBED CAPITAL | | |
| 48. | The Company may from time to time, in general meeting by ordinary resolution increase the authorized share capital by creation of new shares of such amount as it thinks expedient. | Increase of authorized share capital |
| 49. | Except so far as may be otherwise provided by the conditions of issue or by those, any capital raised by the creation of new shares shall be considered part of the original herein contained with reference to the payment of calls and installments, transfer and | Increase capital same as original capital |

| Article No. | Particulars | Description |
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| | transmission, forfeiture, lien, surrender, voting and otherwise. | |
| 50. | The Company may, (subject to the provisions of Section 100 to 104 of the Act), from time to time, by Special Resolution reduce its shares capital, any capital redemption reserve account or any share premium account in any way authorized by law. | Reduction of capital |
| 51. | The Company may in general meeting by ordinary resolution subject to the provisions of the Act, alter the conditions of Memorandum of Association as follows: (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. (b) Sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum of Association, subject nevertheless to the Provisions of the Act and of these Articles. (c) Cancel shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. (d) Convert all or any of its fully paid shares into stock and re-convert that stock into fully paid up shares of any denomination. | Consolidation, division, sub-division and conversion into stock |
| 52. | The rights conferred upon the holders of the shares or any class issued with preferred or other right shall not, unless otherwise expressly provided by the term of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith, but in no respect in priority thereto. | Issue of further pari passu share not to affect the right of share already issued |
| CONVERSION OF SHARES INTO STOCK | | |
| 53. | The Company may, by an ordinary resolution:- (a) convert any paid-up shares into stock; and (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations. | Conversion into stock and reconversion into shares |
| 54. | The holders of stock may transfer the stock or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit. Provided the Board may, from time to time, fix the minimum amount of Stock transferrable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. | Transfer of Stock |
| 55. | The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by a amount of stock which would not, if existing in shares, have conferred that privilege or advantage. | Rights of stock holders |
| 56. | Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively. | Other applicable provisions |
| SHARE WARRANTS | | |
| 57. | The Company may issue share warrant, subject to and in accordance with, the 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 up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and 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. | Share Warrants may be issued |
| MODIFICATION OF CLASS RIGHTS | | |

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| 60. | If at any time the capital, by reason of the issue of preference shares or otherwise is divided into different class of shares, all or any of the right and privileges attached to each class may, subject to the provisions of Section 106 and 107 of Act, be modified, abrogated or dealt with subject to: (a) The consent of the holders of not less than three fourth of the issued shares of class, or (b) The sanction of special resolution passed at a separate meeting of the holders of the issued shares of that class & to every such separate meeting, provision herein contained as to general meeting shall mutatis-mutandis apply. | Power to modify rights |
| 61. | The Company shall comply with the Provisions of Section 192 of the Act by forwarding a copy of the prescribed agreement or resolution passed to the Registrar of Companies. | Compliance of Section 192 of the Act |
| TRANSFER AND TRANSMISSION OF SHARES | | |
| 62. | (a) The instrument of transfer of any shares in the Company shall be executed both by the transferee and the transferor and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. (b) The company shall not register a transfer of shares in or debentures of the Company, unless proper instrument of transfer duly stamped and executed by or on behalf of the transferor and transferee and specifying the name, address and occupation, if any of the transferee has been delivered to the company alongwith the certificate relating to the shares or debentures provided that where on an application made in writing to the Company by transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that instrument of transfer signed by or on behalf of the transferor and transferee has been lost, the company may register on such terms as to indemnity or otherwise as the Board may think fit. (c) An application for the registration of the transfer of any shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be affected unless the company give notice of the application to the transferee in accordance with Section 110 of the Act. (d) Prepaid registered post to the transferee at the address given in the instrument of transfer shall be deemed to have been delivered in the ordinary course of post. (e) Nothing in sub-clause (d) shall prejudice any power of the Board of Directors to register as a shareholder any person to whom the right to any share has been transmitted by the operation of law. (f) Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register the transfer of any share to a transferee, whether a member or not. (g) The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. | Transfer |
| 63. | Subject to the provision of Section 154 of the Act, the Board shall have power on giving not less than 7 (Seven) days previous notice by advertisement in a newspaper circulating in the district in which the registered office of the company is situated to close the transfer books, the register of members or register of debenture holders at such times and for such period or periods, not exceeding in the aggregate forty five days in each year, but not exceeding thirty days at any one time as it may seem expedient. | Transfer books when closed |
| 64. | Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or | Directors may refuse to register the transfer |

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| | otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of member in or debenture of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. | |
| 65. | The executors or administrators or holders of a succession certificate or the legal representatives of deceased not being one or two or more joint holders shall be only persons recognized by the Company as having any title to the shares registered in the name of such member and the company shall not be bound to recognize such executors, administrators or holders of succession certificate or the legal representatives unless they shall have first obtained Probate or Letters of Administration or Succession Certificate or other legal representation as the case may be, from a duly constituted court in the union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letter of Administration or Succession Certificate upon such terms as indemnity or otherwise as the Board, in its absolute discretion may think necessary and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member. | Title to shares of deceased members |
| 66. | Subject to the provisions of the preceding two Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by 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 purports to act under these Articles or of his title as the Board think sufficient either be registered himself as the holder of shares 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, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the shares. | Registration of persons entitled to shares otherwise than by transfer |
| 68. | Every instrument of transfer which is registered shall remain in the custody of the Company until destroyed by order of the Board. | Registered instrument to remain with the company |
| 69. | No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document. | No Fees for transfer or transmission |
| 70. | The Company shall incur no liability or responsibility whatever 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 to prohibiting registration. | The company not liable for prohibiting registration of transfer |
| 71. | If a dispute in relation to transfer / transmission is pending the right for bonus issue, rights issue or dividend payments shall be kept in abeyance till the determination of title to shares in accordance with provision of Sec 205A of the Companies Act, 1956. | Title to be kept in abeyance |
| 72. | Subject to the provisions of Section 58A, 292 and 293 of the Act and regulations made and directions issued by the Reserve Bank of India and of these Articles, the Board may, from time to time and at its discretion, by a resolution passed at a meeting of the | Borrowing powers |

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| | Board, accept deposits from public, or from the members, or either in advance calls or otherwise and raise or borrow or secure the payment of any sum or sums of money for the Company from any sources whatsoever. | |
| 73. | The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit and in particular by resolution passed at meeting of the Board (and not by circular resolution) by the issue of debentures or debenture-stock of the company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and 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. | The payment or repayment of moneys borrowed |
| 74. | Any debentures, debenture-stock or other securities may be issued at discount, premium or otherwise and subject to the provisions of the Act, may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or condition as to redemption, surrender, drawing, allotment of shares and attending (but no voting) General Meetings, appointment of directors and otherwise. 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. | Terms of issue of debentures |
| 75. | If any uncalled capital of the company included in or charged by any mortgages of securities, the directors may subject to the provisions of the Act and these presents make calls on members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed. | Assignment to uncalled capital |
| BUY BACK OF SECURITIES | | |
| 78. | Notwithstanding anything contained in these Articles, the Company shall have the power to buy-back its shares or other securities in accordance with the provisions of Section 77A, 77AA and 77B of the Act, from its existing shareholders or the holder of other securities on a proportionate basis or by purchase of shares or securities issued to the employees of the Company pursuant to scheme of stock option or Sweat Equity. | Buy back of shares or other securities |
| RESERVE AND DEPRECIATIONS FUND | | |
| 79. | The Board of Directors may, subject to the Companies (Transfer of Profits to Reserves) Rules, 1975, from time to time, before recommending any dividend set apart any and such portion of the profits of the Company as they think fit as a Reserve Fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the company for equalization of dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the company as the directors in their absolute discretion think conducive to the interest of the Company and may invest the several sums so set aside upon such investments (other than shares of the company) as they think fit and from time to time, deal with every such investment and dispose of all or any part thereof the benefit of the company and may divide the Reserve Fund into such special funds as they think fit, with full power to transfer the whole or any portion of a Reserve Fund into such special funds as they think fit, with full power to transfer the whole of any portion of a Reserve Funds and also with full power to employ the Reserve Funds or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same. | Reserve Fund |
| 80. | The Directors may, from time to time, before recommending any dividend, set apart any and such portion of the profits of the Company, as they think fit, as a depreciation fund applicable at the discretion of the Directors, for providing against any depreciation in the investments of the Company or for rebuilding, restoring, replacing or for altering any part of the buildings, work, plant, machinery or other property of the Company, destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear or any other means whatsoever and for repairing, altering and keeping in good condition the property of the company or for extending and enlarging | Depreciation fund |

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| | the building, machinery and property of the Company with full power to employ the assets constituting such depreciation fund in the business of the Company and that without being bound to keep the same separate from the other assets. | |
| 81. | All moneys carried to any reserve fund and depreciation fund respectively shall nevertheless remain and be profits of the Company applicable subject to, due provisions being made for actual loss or depreciation, for the payment of dividend and such moneys and the other moneys of the Company may be invested by the Directors in or upon such investments or securities as they may select or may be used as working capital or may be kept at any bank or deposit or otherwise as the Directors may, from time to time, think proper. | Investment of money |
| GENERAL MEETINGS | | |
| 82. | (1) In addition to any other meetings, General meetings, of the Company shall be held at such intervals as are specified in Section 166 (1) of the Act and subject to the provisions of Section 166 (2) of the Act, at such times and places as may be determined by the Board. (2) Each such General Meeting shall be called Annual General Meeting. Every Annual General Meeting shall be called for a time during business hours on a day that is not a public holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated. | When general meetings to be held |
| 84. | The Directors may, whenever they think fit and they shall, on the requisition of the holders of not less than 1/10, (one-tenth) of the paid up capital of the company as at that date carries the right of voting in regard to the matter in respect of which the requisition is made, forthwith proceed to convene an Extraordinary General Meeting of the company and in the case of such requisition the provision of Section 169 of the Act shall apply. | When extra ordinary meetings to be called |
| 85. | Twenty-one days, notice atleast of every General Meeting, Annual or Extraordinary and by whomsoever called, specifying the day, place and hour of meeting and the general nature of the business to be transacted thereat shall be given in the manner hereinafter provided to such persons as are under these presents or the Act entitled to receive notice from the company provided that in the case of an annual meeting with consent in writing of all the members entitled to vote and in the case of any other meeting with the consent of the members holding not less than 95% (Ninety five per cent) of such part of the paid-up capital of the company as gives a right to vote at the meeting, a meeting may be convened by shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration the accounts balance sheets and reports of the Board and Auditors, (ii) the declaration of dividend (iii) the appointment of directors in place of those retiring, (iv) the appointment of and fixing of the remuneration of auditors is to be transacted and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting an explanatory statement setting out all the material facts concerning each such item of business, including in particular the nature and extent of the interest, if any, therein of every director and manager (if any). | Notice of meeting |
| 86. | The accidental omission to give such notice to or the non-receipt of notice by any of the members or persons entitled to receive the same shall not invalidate the proceedings at any such meeting. | As to omission to give notice |
| 87. | At least Five members present in person shall be a quorum for a General Meeting. A corporation being a member shall be deemed to be personally present if it is represented, in accordance with Section 187 of the Act. The President of India or Governor of a State shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act. | Quorum at General Meeting |
| 88. | If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the | If quorum not present meeting to |

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| | requisition of members shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next succeeding week which is not a public holiday at the same time and place or to such other day and such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour, from the time, appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called. | stand dissolved or adjourned |
| 89. | The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether annual or extraordinary. If there is no such Chairman of the Board of Directors, or if he is not present within fifteen minutes of the time appointed for holding such meeting or decline to take the chair then any other Director present thereat shall be entitled to take the chair and the members present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of their members to be chairman. | Chairman of General Meeting |
| 92. | The chairman with the consent of the meeting may and shall if so directed by the meeting adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished from which the adjournment took place, subject to the provision of the Act. It shall not be necessary to give any separate notice of an adjournment or of the date, the time or the place of the adjourned meeting or of the business to be transacted thereat. | Chairman with consent may adjourn meeting |
| 93. | At any General Meeting, a resolution put to the vote in the meeting shall be decided on show of hands, unless a poll is (before or on the declaration of the result of the show of hands) ordered by the Chairman or demanded by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum of rupees fifty thousand has been paid-up or holding such shares which confer a right to vote on the resolution for not less than one tenth of the total voting power. | Question at general meeting how to decide |
| 94. | In the case of an equality of votes the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member. | Chairman's casting vote |
| 95. | If Poll is demanded as aforesaid, the same shall subject to Article 93 be taken at such time (not later than forty-eight hours from the time when the demand was made) and at such place and either by voting or by ballot as the chairman shall direct. The demand for a poll may be withdrawn at any time by the persons who made the demand. | Poll to be taken if demanded |
| 96. | Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the results of the poll is declared to remove a scrutinizer from the office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause. | Scrutinizers at the poll |
| 97. | Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith | In what case poll taken without adjournment |
| 98. | The demand for a poll, except on the questions of the election of the Chairman and on adjournment, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. | Business to proceed notwithstanding demand of poll |
| POSTAL BALLOT | | |
| 99. | Notwithstanding anything contained in these Articles, the Company may adopt the mode of passing a resolution by members of the Company by means of a Postal Ballot | Matters to be passed through |

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| | and / or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company:- a. Particularly, resolutions relating to such business as the Central Government may by notification, declare under Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 shall be conducted only by postal ballot. b. Any business that can be transacted by the Company in General Meeting in accordance with these Articles or Act. The Company shall comply with the procedure for such postal ballot and / or other ways prescribed by the Central Government in this regard. | postal ballot |
| VOTES OF MEMBERS | | |
| 100. | No member shall be entitled to vote either personally or by proxy for another member at any General Meeting of a class of shareholders either upon a show of hands or upon poll 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 any right of lien and has exercised the same. | Members in arrear not to vote |
| 101. | (a) On a show of hands, every holder of equity shares entitled to vote and present in person or by proxy shall have one vote and on a poll the voting right of every holder of equity share whether present in person or by proxy, shall be in proportion to his share of the paid up equity capital of the Company. (b) The voting rights of the holders of redeemable cumulative preference shares shall be in accordance with Section 87 of Companies Act, 1956. | Voting rights of members |
| 102. | On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all of his votes or cast in the same way all the votes he has. | Casting of votes by a member entitled to more than one vote |
| 103. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction for declaring such member an insolvent, may vote, whether on a show of hands or on a poll by his liquidator or other legal guardian. | When members non-competent to vote |
| 104. | (1) Subject to the provisions of these present votes may be given either personally or by proxy. A corporation being a member may vote by representative duly authorized in accordance with Section 187 of the Act, and such representative shall be entitled to speak, demand a poll, vote, appoint a proxy and in all other respect exercise the rights of a member and shall be reckoned as a member for all purposes. (2) Every proxy (Whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or the hand of its officer or an attorney, duly authorized by it and any committee or guardian may appoint such proxy. The proxy, so appointed shall not have any right to speak at the meetings. (3) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notoriety certified copy of that power or authority, shall be deposited at the office not less than forty-eight hours before the time for holding the meeting failing which the person named in the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. (4) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in either of the forms set out in Schedule IX of the Act. (5) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or 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 | Voting in person or by proxy Appointment of proxy Deposit of instrument of appointment Form of proxy Validity of vote given by proxy |

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| | writing of the death, revocation or transfer shall have been received at the office before the meeting. | notwithstanding death of member |
| 105. | <p>(1) No objection shall be made to the validity of any vote except at meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll.</p> <p>(2) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.</p> | <p>Time for objections to vote</p> <p>Chairman of any meeting to be the judge of validity of any vote.</p> |
| | Subject to the provisions of Section 193 of the Act, the Company shall cause to be kept minutes of all proceedings of general meetings which shall contain a fair and correct summary of the proceedings there at and a book containing such minutes shall be kept at the registered office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours, in each day as the directors may determine for the inspection of any member without charge. The minutes aforesaid shall be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in the said book which shall have its pages consecutively numbered. Each page of the book shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman to sign as aforesaid with that period by a director duly authorized by the Board for that purpose. In no case shall the minutes be attached to any such book by pasting or otherwise. | Minutes of general meeting and inspection member thereof |
| DIRECTORS | | |
| 106. | Subject to Section 252 and 259 of the Act, the number of Directors shall not be less than three or more than twelve including nominee directors. | Number of Directors |
| 108. | Subject to Section 313 of the Act, the Board of Directors of the Company may appoint an alternate director to act for a Director (hereinafter in this article called “ the original director) during the absence, for a period of not less than three months from the State in which meeting of the Board are ordinarily held. | Appointment of alternate Director |
| 109. | The Directors shall have power, at any time and from time to time to appoint any qualified 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 upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election. | Directors may fill up vacancies |
| 110. | The Board of Directors shall also have power, at any time and from time to time, to appoint any other qualified person to be a Director as an addition to the Board so that the total number of Directors shall not at any time exceed the maximum fixed above. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting but shall be eligible for re-election at such meeting. | Additional Directors |
| 111. | The company may agree with any financial institution, company or any other authority, person, state or institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, it shall have power to nominate such number of Directors on the Board of Directors of the Company as may be agreed and from time to time, remove and re-appoint/replace them and to fill in the vacancy caused by such Directors otherwise ceasing to hold office. Such nominated Directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The Director appointed under this Article is hereinafter referred to as “Institutional Director”. | Power to the financial institutions to nominate Directors on the Board and debenture Directors |
| 112. | Any Trust Deed for securing debentures or debenture-stock may, if so arranged provide for the appointment from time to time by the trustees thereof or by the holders | Debenture Directors |

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| | of the debentures or debenture-stock of some person to be a director of the Company and may empower such trustees or holders of debentures or debenture stock from time to time remove any Director so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and this term "Debenture Director" means a Director for the time being in office under this Article. A 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 provision shall have effect notwithstanding any of the other provisions herein contained but however, he shall be counted in determining the number of retiring Directors. | |
| 113. | No Share qualification will be necessary for being appointed as, or holding the office of, a Director of the Company. | Qualification of Directors |
| 114. | Subject to the provisions of Section 198, 309, 310 and 311 of the Act, the remuneration payable to the Directors of Company may as hereinafter provided. The remuneration of each Director for attending the meeting of the Board or Committee thereof shall be such sum as may, from time to time, be fixed by the Board and as permissible under Companies Act, 1956 and rules made thereunder for each such meeting of the Board or Committee thereof attended by him. Subject to the provisions of the Act, the Directors shall be paid such further remuneration (if any) as the Company in General Meeting shall, from time to time, determine and such additional remuneration shall be divided among the Directors in such proportion and manners as the Board may, from time to time, determine and, in default of such determination shall be divided among the Directors equally. | Remuneration of Directors |
| 115. | The Directors may, subject to limitation provided by the Act allow and pay to any Director who is not a resident of the place where the Registered Office for the time being of the Company is situated or where the meeting of the Board is held and who shall come to place for the purpose of attending a meeting of the Board or Committee thereof such sum as the Directors may consider fair compensation for travelling expenses, in addition to his fees for attending such meeting as above specified. | Directors not a resident of the place of the registered office of the Company to be paid travelling expenses |
| 116. | Subject to the provisions of the Act and these Articles, if any Directors be called upon to perform extra service or special exertions or efforts (which expression shall include work done by a Director as a member or any committee formed by the Directors) the Board arrange with such Director for such special remuneration or such extra services or special exertions or efforts by way of a fixed sum or otherwise and which may be either in addition to or in substitution for his remuneration above provide. | Special remuneration of Director performing extra services |
| 117. | The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number fixed the Directors shall not except in emergencies or for the purpose of filling up vacancies or for summoning general meeting of the Company act as long as number is below the minimum. | Directors may act notwithstanding vacancy |
| 118. | The office of a Director shall ipso facto be vacated on happening of any of the event provided for in Section 283 of Act. | Office of Directors to be vacated |
| ROTATION OF DIRECTORS | | |
| 125. | At the first annual general meeting of the company, all the Directors (except those who are not liable to retire by rotation) and at the annual general meeting of the Company in every subsequent year one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one third shall retire from office. | Retirement and rotation of Director |
| 126. | Subject to Section 256 of Act, the Directors to retire by rotation under the last preceding Article at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves be determined by lot. | Ascertainment of Directors retiring by rotation and filling of vacancies |

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| 127. | A retiring director shall be eligible for re-election. | Eligibility for re-election |
| 130. | Subject to the provisions of Section 252, 258 and 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of directors and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the director in whose place he is appointed would have held the same if he had not been so removed. | Increasing and reducing the number of Director |
| 131. | <p>(a) No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless he or some other member intending to propose him has at least fourteen clear days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office and he or the proposer has deposited with the Company Rs. 500/- (Rs. Five Hundred) or such other sum as may be required under modified provisions from time to time as a security alongwith the notice as required under section 257 of the Companies Act, 1956.</p> <p>(b) On the receipt of the notice referred to in Clause (a) of this Article the company shall inform its members of the candidature of a person for the office of director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting provided that it shall not be necessary for the company to serve individual notice upon the member if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the district in which one is published in the English language and the other in the regional language.</p> | Notice of candidature for office of Director except in certain case |
| PROCEEDINGS OF DIRECTORS | | |
| 133. | <p>(a) Subject to the provisions of Section 285 of the Act, the Board of Directors may meet for the disposal of business, adjourn and otherwise regulate its meeting as it thinks fit.</p> <p>(b) Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of Directors that is say the number of Directors who are not interested shall be the quorum during such time provided such number is not less than two.</p> | <p>Meeting of Director</p> <p>Quorum</p> |
| 134. | If a meeting of the Board could not be held for want of quorum, then the meeting shall stand adjourned to such other time, date and place as may be fixed by the Directors present not being later than fifteen days from the date originally fixed for the meeting. | Adjournment of meeting for want of quorum |
| 135. | The Chairman, if any, or the Managing Director on his own motion or the Secretary of the Company shall upon the request in writing of two Directors of the Company or if directed by the Managing Director or Chairman, if any, convene a meeting of the Board by giving a notice in writing to every Director who, for the time being, is in India and at his usual address in India to every other Director. | |
| 136. | The Directors may, from time to time, elect from among their number, a chairman of the Board and determine the period for which he is to hold office. If at meeting of the Board, the Chairman is not present within fifteen minutes of the time appointed for holding the same, the Directors present may choose one of their members to be Chairman of the meeting. | Chairman |
| 138. | A meeting of the Board for the time being at which quorum in present shall be competent to exercise all or any of the authorized powers and discretions which by or | Powers of Board meeting |

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| | under the Act or the Articles of the Company are for time being vested in or exercisable by the Board generally. | |
| 139. | Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to a committee of Directors consisting of such Director or Directors or one or more Directors and a member or members of the Company as it thinks fit or to the Managing Directors, the manager or any other principal officer of the Company or a branch office or to one or more of them together and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes but every Committee of the Board, so formed in the exercise of the powers so delegated conform to any restrictions that may from time to time be imposed on it by the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board provided that such delegation shall not be in respect of matters enumerated in clauses (a), (aa), (b), (c), (d), or (e) of sub-section (1) of Section 292 of the Act. Save and except provided otherwise, the powers under clause (c), (d) and (e) may be delegated only to the extent permitted by and subject to restrictions and limitations contained in Section 292 of the Act. | Director committees may appoint any delegates its powers |
| 141. | A resolution shall be deemed to have been duly passed by the Board or a Committee thereof by circulation, if the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual address in India and has been approved by such Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution. | Resolution by circulation |
| 142. | 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 such Director or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them has been terminated by virtue of any provisions contained in the Act or in these Articles be as valid as if every such person has been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had been terminated provided that nothing in this 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. | Acts of Board or Committee valid notwithstanding invalid appointment |
| 143. | The Company shall cause minutes to be duly entered in a book or books provided for the purpose: (i) Of the name of the Directors present at such meeting of the Board, and of any committee of the Board; (ii) Of all orders made by the Board and Committee of Board; (iii) Of all resolution and proceedings of the meetings of the Board and committees of the Board; and Every such book shall be maintained and the minutes entered therein and signed in the manner laid down by Section 193 of the Act and the minutes so entered and signed shall be received as conclusive evidence of the proceedings recorded therein. | Minutes of proceeding of Directors and Committee to be kept |
| POWER OF THE BOARD | | |
| 144. | Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do provided that any power to do any act or thing which directed or otherwise required whether by the Act or by these presents or otherwise to be exercised or done by the Company in General meeting provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any, other | Powers of the Board |

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| | Act or in the Memorandum of Association of the Company or these Articles or any regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if those regulations had not been made. | |
| 145. | <p>Without prejudice to 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 the 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> <p>(a) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>(b) To pay and charge to the Capital account of the Company any commission or interest lawfully payable under the provisions of Section 76 and 208 of the Act.</p> <p>(c) Subject to Section 292, 297 and 360 of the Act, to purchase or otherwise acquire for the Company property rights for privileges which the Company is authorized to acquire at or for such price or consideration and 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 reasonable satisfactory.</p> <p>(d) 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 part in shares, bonds, debentures, mortgages or other securities of the company and any such shares may be issued either as fully as paid-up 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.</p> <p>(e) To secure the fulfillment of any contract 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 think fit.</p> <p>(f) To accept from any members, so far as may be permissible by law, surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.</p> <p>(g) To appoint any person to accept and hold in trust for the company any property belonging to the company or in which it is interested or any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustees.</p> <p>(h) 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 claims or demands by or against the Company and to refer any differences to arbitration either according to India law or according to any foreign law and either in India or abroad, and observe, perform or challenge any award made thereon.</p> <p>(i) To act on behalf of the Company in all matters relating to bankruptcy or insolvency.</p> <p>(j) To make and give receipts, release and other discharges for moneys payable to the company and for the claims and demand of the Company.</p> <p>(k) Subject to the provisions of Section 292, 291(1)(a), 293, 295, 370, 369, 372A and 373 of the Act, to invest and deal with any moneys of the Company, upon such security or without security (not being shares of the company), and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 49 of the Act, all investment shall be made and held in the Company's own name.</p> <p>(l) 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 person liable 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 other</p> | Further powers of the Board |

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| | <p>powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>(m) 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, release, contracts and documents and to give the necessary authority for such purpose.</p> <p>(n) To distribute by way of bonus amongst the staff of the company, a share in the profits of the company and to give to any officer or other person employed by the Company a Commission on the profits of any particular business or transaction as part of the working expenses of the company.</p> <p>(o) To provide for the welfare of Directors, ex-Directors or employees or ex-employees of the Company and the wives, widows and families or the dependants in connection of such persons by building or contributing to the building of houses, dwelling or chawls or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing contributing to provided and other association, institutions, fund or trusts and by providing or subscribing or contributing towards places of interest and recreation, hospitals and dispensaries, medical and other attendance and other assistance, subject to the limits laid down by Section 293 and 293 A of the Act as the Board shall think fit and subject to provisions of the Act to subscribe or contribute or otherwise to assist or to guarantee moneys to charitable benevolent, religious scientific, national or other institutions, bodies and objects which shall have any moral or other claim to support or and by the company, either by reason of locality of operation or of public and general utility or otherwise.</p> <p>(p) Subject to the provisions of the Act, to appoint and at their discretion, remove or suspend such General Managers, Managers, Secretaries, Assistants, supervisors scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laborers, clerks, agents and servants for permanent temporary or special services as they may, from time to time think fit and to determine their power and duties and fix their salaries or emoluments or remuneration and to require security in such instances and of such amount as they may think fit and 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 fit.</p> <p>(q) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company be necessary or expedient to comply with.</p> <p>(r) 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 India or elsewhere and to appoint any person to be members of such local Board and to fix their remuneration.</p> <p>(s) Subject to Section 292 and 293 of the Act from time to time and at any time to delegate to any person so appointed any of the powers authorities and discretion for the time being vested in the Board and to authorize the member 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 conditions as the Board thinks fit and may at any time remove any person so appointed and may draw or vary such delegation.</p> <p>(t) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the attorney of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) 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 think fit) be made in favour of the members or</p> | |

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| | <p>any of the members of any local Board established as aforesaid or in favour of any company or the shareholders, Directors, Director nominees or manager of any company or firm or otherwise in favour for any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Board may think fit and may contain powers enabling any such delegate 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>(u) Subject to Section 294, 294A, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p>(v) Subject to Section 293 of the Act, and main objects of the Company, to sell, lease or otherwise dispose of any of the properties or undertakings of Company.</p> <p>(w) Subject to the provisions of the Companies Act, 1956 the Board may pay such remuneration to Chairman / Vice Chairman of the Board upon such conditions as they think fit.</p> | |
| APPOINTMENT AND POWERS OF MANAGING DIRECTORS AND WHOLE TIME DIRECTORS | | |
| 146. | <p>1. Subject to the provisions of the Act, the Board may appoint or reappoint one or more Managing Directors, at such conditions as they think fit provided that the period of appointment or reappointment shall not exceed 5 (five) years at one time.</p> <p>2. A Managing director shall not, while he continues to hold that office, be subject to retirement by rotation, but he shall be reckoned as a Director to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause.</p> <p>3. Subject to the provisions of the Act and to the general supervision and control of the Board, any Managing Director or Managing Directors shall have the General Direction, management and superintendence of the business of the company with power to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business and concerns of the company, including power to appoint, suspend and dismiss officers, staff and workmen of the Company, to make and sign all contracts and receipts and to draw, accept, endorse and negotiate on behalf of the company all such Bills of Exchange, Promissory Notes, Hundies, Cheques, Drafts, Government Promissory Notes, or other Government papers and other instruments as shall be necessary, proper or expedient for carrying on the business of the company and to operate on the Bank accounts of the company and to represent the Company in all suits and all other legal proceedings and to engage solicitors, advocates and other Agents and to sign the papers, documents and instruments of authority, to appoint agents or other attorneys and to delegate to them such powers as the Managing Director or Managing Directors may deem and at pleasure, such powers to revoke and generally to exercise all such powers and authorities as are not by the Companies Act, 1956 for the time being in force or by these Articles expressly directed to be exercised by the Board of Directors or by the Company in General Meeting.</p> <p>4. The Managing Director or Managing Directors shall not exercise the Powers to:</p> <p>(a) make calls on shareholders in respect of money unpaid on their shares in the Company</p> <p>(b) Issue debentures, and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act</p> <p>(c) Borrow moneys, otherwise than on debentures</p> | Appointment of Managing Director |

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| | (d) Invest the funds of the Company, and (e) Make Loans 5. The Company shall not appoint or employ, or continue the appointment of a persons as its Managing or Whole time Director who (a) is an undischarged insolvent, or has at any time been adjudged an insolvent, (b) Suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made a composition with them; or (c) is, or has at any time been, convicted by a court of an offence involving moral attitude. | |
| 147. | Subject to the provisions of Section 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, of Association, receive such remuneration as may, from time to time, be approved by the Company | Remuneration of Managing Director |
| 148. | Subject to the provisions of the Act and particular to the prohibitions and restrictions contained in Section 292 thereof the Board may, from time to time, entrust to and confer upon the Managing Director or Managing Directors for the time being such of the powers exercisable under these presents by Directors as they may think fit and may confer such power 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 fit, and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers. | Power of Managing Director / Whole time Director |
| 149. | Subject to the provisions of the Act, the Managing Director or Managing Directors shall not, while he or they continue to hold that office, be subject to retirement by rotation in accordance with these Articles of Association but he shall be counted for determining the number of retiring Directors. | Special position of Managing Directors |
| 150. | The Provisions of Articles 146 to 149 shall apply mutis mutandis to the appointment of Whole Time Directors | Appointment of Whole Time Directors |
| SECRETARY | | |
| 151. | Subject to Section 383A of the Act, the Board may, from time to time appoint, and at its discretion subject to applicable provisions of the Act, if any, appoint or remove any person as the Secretary of the Company ("Secretary") to perform such duties and functions, which, by the Act or otherwise, are to be performed by the Secretary of the Company, and to execute any other duties and functions, which may from time to time, be assigned to the Secretary by the Board. A Director may be appointed as Secretary provided that any provision of the Act or these presence requiring or authorising a thing to be done by a Director and the Secretary shall not be satisfied by its being done by the same person acting as both, Director and Secretary. | Appointment of Secretary |
| COMMON SEAL | | |
| 152. | The Board shall provide a common seal for the purpose of the Company and shall have powers, from time to time, destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given and in the presence of one Director of the company or some other person appointed by the Directors for the purpose. The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act for use in any territory, district or place outside India. | The seal, its custody and use |
| 153. | Every Deed or other instruments to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney be signed by any one Director or the Secretary or some other person appointed by the Board for the purpose, provided nevertheless that certificate of shares may be sealed in accordance | Affixture of common seal |

| Article No. | Particulars | Description |
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| | with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or the statutory modification on re-enactment thereof for the time being in force. | |
| DIVIDENDS | | |
| 154. | Subject to the Articles, any member entitled to shares (if any) with preferential or special rights attached thereto the profits of the Company which shall, from time to time, be determined to be divided in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company but so that a partly paid-up share shall only entitle the holder with respect thereto to such proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share and so that the same shall carry interest' such capital shall not, whilst carrying interest confer a right to participate in profits. | How profits shall be divisible |
| 155. | The Company in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment. | Declaration of dividends |
| 156. | No large dividend shall be declared than is recommended by Directors but the Company in annual general meeting may declare a smaller dividend. | Restriction on amount of Dividends |
| 157. | No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits. | |
| 158. | Where any assets, business or property is bought by the Company as from a past date upon the terms that the company shall as from that date take the profits and bear the losses thereof such profit and losses as the case may be shall, at the direction of the Directors, be so credited or debited wholly or in part to the Profits and Loss Account and in that case the amounts so credited or debited shall for the purpose of ascertaining the fund available for dividend be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. If any share or securities are purchased with dividend or interest such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalize the same or any part thereof. | Ascertainment of amount available for dividend |
| 160. | The Board may, from time to time, pay to the members such interim dividends as in their judgment the position of the company justifies. | Interim dividend |
| 161. | Subject to Section 205A of the Act, the Directors may retain dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | Debts may be reduced |
| 162. | No member shall be entitled to receive payment of any interest or dividend in respect of his share(s), whilst any money may be due or owing from him to the company in respect of such share(s) or otherwise howsoever either alone or jointly with any other person(s) and the Board may deduct from the dividend payable to any member all sums of money so due to the company. | No member to receive dividend when indebted to the Company |
| 163. | A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer and pending registration of transfer the dividend shall be dealt with as required under Section 205A of the Companies Act, 1956. | Transfer of shares must be registered |
| 164. | Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant, sent through the post to the registered address of the member or person entitled or in case of joint-holder to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means. If several persons are registered as joint-holder of any shares any one of them can give effectual receipt for any dividends or other moneys payable in respect thereof. The Company | Dividends; how remitted |

| Article No. | Particulars | Description |
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| | shall comply with the provisions of Section 205-A of the Act and rules made thereunder in respect of any unclaimed or unpaid dividend. | |
| 165. | <p>Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any schedule bank, to be called "PCI Limited Unpaid Dividend Account".</p> <p>The Company shall transfer any money transferred to the unpaid dividend account of a Company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the fund known as Investor Education and Protection Fund established under Section 205C of the Act.</p> <p>The Board shall forfeit no unclaimed or unpaid dividend.</p> | Transfer of unpaid / unclaimed dividend to special account |
| CAPITALISATION | | |
| 166. | <p>(1) Any General Meeting may upon the recommendation of the Board resolve that any amounts standing to the credit of the Share premium Account or the Capital Redemption Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising out of appreciation in value of any capital assets of the Company) standing to the credit of the Capital Reserves, General Reserve, Reserve or any Reserve Fund or any other Fund of the company available for dividend, be capitalized:</p> <p>(a) by the issue and distribution as fully paid-up equity shares of the Company as a bonus issue, or</p> <p>(b) by crediting shares of the Company which may have been issued and are not fully paid-up with the whole or any part of the sum remaining unpaid thereon: Provided that any amounts standing to the credit of the Share Premium Account or the Capital Reserve account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.</p> <p>(2) Such issue and distribution under (1) (a) above and such payment to credit of unpaid shares capital under (1)(b) above, shall be made to among and in favor of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interest and in the proportion to the amount of capital paid-up on the shares held by them respectively in respect of which such distribution under (1)(a) or payment under (1)(b) above shall be made on the footing that such members become entitled thereto as capital.</p> <p>(3) The Directors shall give effect to any resolution and apply such portion of the profits, General Reserve, Capital reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of payment in full of the shares of the Company so distributed under (1)(a) above or (as the case may be) for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under (1)(b) above.</p> <p>(4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payment be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the person entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, and fractional certificates or otherwise as they may think fit.</p> | Capitalisation of Reserves |
| BOOKS AND ACCOUNTS | | |
| 169. | The Board of Directors shall cause to be kept proper books of accounts on accrual basis and according to double entry system of accounting as required under Section 209 of the Act. | Books of account be kept |

| Article No. | Particulars | Description |
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| 171. | The Board of Directors shall, from time to time, determine whether and to what extent and what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Directors. | Inspection by members |
| 172. | The Director shall, from time to time, in accordance with Sections 210, 211, 212, 215, 216, 217 of the Act cause to be prepared and to be laid before the Company in Annual General Meeting such Profit and Loss Accounts, Balance Sheet and reports as are referred to in those Sections. | Statement of accounts to be furnished to General Meeting |
| 173. | A copy of every such Profit and Loss Account and Balance Sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet) shall, at least twenty one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which are payable to the bearer thereof) to trustees for the holders of such debentures and to all persons entitled to receive notices of Annual General Meetings of the Company | Accounts to be sent to each member |
| AUDIT | | |
| 174. | Auditors shall be appointed at their rights and duties regulated in accordance with Section 224 to 233 of the Act. | Appointment of Auditors and their duties |
| 175. | Every account of the Company went audited and approved by Annual General Meeting shall be conclusive except as regard any error discovered therein within three months next after the approval thereof. When any such error is discovered within that period the accounts shall forthwith be corrected and henceforth shall be conclusive. | Accounts when audited & approved to be conclusive except as to errors discovered within 3 months |
| DOCUMENTS AND NOTICE | | |
| 176. | (1) A document or notice may be served or given by the company on any member or an officer thereof either personally or by sending it by post to him to his registered address in India or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for serving document or notices on him. (2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided that where a member has intimated to the company in advance that documents or notice should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of meeting at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case, at the time at which letter would be delivered in the ordinary course of post. | Service of documents of notices on members by the Company |
| 177. | A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India for the service of documents on him or the sending of notice to him. | By Advertisement |
| 178. | A documents or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending through the post in prepaid letter addressed to him by name or by the title of | To whom documents or notices must be |

| Article No. | Particulars | Description |
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| | representative of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the person claiming to be so entitled (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred. | served or given |
| WINDING UP | | |
| 183. | The liquidator, on any winding-up (whether voluntary, under supervision, of the court or compulsory) may, with the sanction of a special resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the company in trustees upon such trusts for the benefit of the contributories as the liquidators, with the like sanction, shall think fit. | Liquidator may divide assets |
| INDEMNITY AND RESPONSIBILITY | | |
| 184. | Subject to the provisions of Section 201 of the Act, every Director, manager, officer or servant of the company or any person (whether an officer of the company or not) employed by the company as auditor shall be indemnified out of the funds of the Company against all claims and it shall be the duty of the Directors to pay out of the funds of the Company all bonafide costs, charges, losses and damages which any such persons may incur or become liable to, by reason of any contract entered into or act or think done, about the execution or discharge of his duties or supposed duties except such if any, as he shall incur or sustain through or by his own willful act, neglect or default including expenses and in particular and so not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or Auditor in defending any proceedings whether civil or criminals in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the court. | Indemnity |
| 185. | Subject to the provisions of the Act, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency of the title to any property acquired by order of the Director for or on behalf of the company or for the insufficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation there to unless the same shall happen through his own dishonesty. | Individual responsibility |
| SECRECY | | |
| 186. | No member shall be entitled to visit or inspect any works of the company without the permission of the Directors or to require discovery of any information with respect to any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may related to the conduct of the company and which in opinion of the Directors it would be inexpedient in the interest of the Company to disclose. | Secrecy |

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Draft Red Herring Prospectus), which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated from 10.00 a.m. to 02.00 p.m. on working days from the date of the filing of this Red Herring Prospectus until the Bid / Issue Closing Date.

A. Material Contracts

1. Agreement dated September 18, 2009 between our company and the BRLM.
2. Agreement dated September 26, 2009 between our company and the Registrar to the Issue,
3. Syndicate Agreement dated [●] between the Company, BRLM and Syndicate members,
4. Escrow Agreement dated [●] between the Company, BRLM, Syndicate members, Escrow collection Banks and Registrar to the Issue
5. Underwriting Agreement dated [●] between the Company and Underwriters.
6. Agreement dated [●] for appointment of [●] as the IPO Grading Agency.

B. Documents for Inspection

1. Fresh Certificate of Incorporation of the Company dated September 29, 1995
2. Memorandum and Articles of the Company.
3. Tripartite agreements dated [●] and [●] with NSDL and CDSL respectively.
4. Copy of the Board Resolution dated September 30, 2008 approving this Issue.
5. Copy of resolution passed in the extra-ordinary general meeting of the Company held on October 03, 2008 approving the Initial Public Offering.
6. Consents of the Promoters, Directors, Auditors, Bankers to the Company, Book Running Lead Manager, Legal Counsel, IPO Grading Agency, Registrar, Syndicate Members, Bankers to the Issue and Company Secretary and Compliance Officer, in their respective capacities.
7. Shareholders Resolution for appointment of Statutory Auditors.
8. Shareholders resolution for appointment and remuneration of Managing Director and Whole Time Director
9. Certificate dated September 22, 2009 from Auditors regarding the statement of tax benefits.
10. Report of the Auditors dated September 22, 2009 on restated consolidated financial statements for the last five financial years.
11. Report of the Auditors dated September 22, 2009 on restated standalone financial statements for the last five financial years.
12. Annual Reports of the Company for the last five Financial Years.
13. Agreement dated August 27, 2008 entered into by PCI Limited with Keliburg Holdings Limited.
14. Initial listing application made with BSE and NSE for listing of equity shares.
15. In-principle listing approval for this Issue dated [●] and [●] from BSE and NSE respectively.
16. Due Diligence Certificate dated September 26, 2009
17. IPO Grading Report dated [●]
18. SEBI Observation Letter No. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of 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

No statement made in this Draft Red Herring Prospectus contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the said issue as also the guidelines, instructions etc. issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Board of Directors of our Company

Mr. Surinder Mehta
Chairman and Managing Director

Ms. Archana Mehta
Director

Mr. Rohan Mehta
Whole Time Director

Mr. Vijay Sarpal
Whole Time Director

Mr. Chandra Prakash Jain
Director

Mr. Inder Pal Singh
Director

Mr. Kamalaksha Uggappa Mada
Director

Mr. Ramesh Chandra Sharma
Director

**Signed by the President - Finance &
Corporate Affairs**
(Chief Financial Officer)

**Signed by the Company Secretary &
Chief Manager - Legal**
(Compliance Officer)

Mr. Prem Lal Madan

Mr. Raghav Shukla

Date: September 26, 2009
Place: New Delhi