DRAFT RED HERRING PROSPECTUS
Dated: February 2, 2012
Please read section 60B of the Companies Act, 1956
The Draft Red Herring Prospectus will be updated upon filing with the RoC
100% Book Building Issue

USHER ECO POWER LIMITED

Our Company was incorporated as "Usher Eco Power Limited" under the provisions of the Companies Act, 1956 pursuant to a Certificate of Incorporation dated July 20, 2007 issued by the Registrar of Companies, Maharashtra at Mumbai and has been allocated CIN U40102MH2007PLC172552. For details of changes in registered office of our Company, see chapter titled "*History and Certain Corporate Matters*" beginning on page 114 of this Draft Red Herring Prospectus.

Registered Office: 424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053, Maharashtra
Tel: +91-22-39381100; **Fax**: +91-22-3938 1123; **Website**: www.usherecopower.com
Contact Person: Mr. Krishna Suvarna, Compliance Officer
Tel: +91-22-3938 1100; **Fax**: +91-22 3938 1123; **E-mail**: compliance@usherecopower.com

PROMOTERS OF OUR COMPANY

Dr. Vinod Kumar Chaturvedi	Mr. Manoj Chaturvedi	Usher Agro Limited

PUBLIC ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH (EQUITY SHARES) OF USHER ECO POWER LIMITED (HEREINAFTER REFERRED TO AS THE "COMPANY" OR "ISSUER") AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE FOR CASH AGGREGATING TO ₹ 8,500 LACS (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

PRICE BAND: ₹ [●] TO ₹ [●] PER EQUITY SHARE OF FACE VALUE ₹ 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 working days after such revision, subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the BSE Limited ("**BSE**") and The National Stock Exchange of India Limited ("**NSE**"), and by intimation to Self Certified Syndicate Banks, by issuing a press release and by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**"), and the terminals of the members of the Syndicate.

This Issue is being made pursuant to Regulation 26 (2) of the SEBI ICDR Regulations through a 100% Book Building Process, wherein atleast 50% of the Issue will be allocated to Qualified Institutional Buyers ("**QIBs**") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Provided that our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price and Bidders may participate in this Issue through the ASBA process by providing the details of the respective bank accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details refer to chapter titled "Issue Procedure" beginning on page 228 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is ₹ 10 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 (as determined and justified by the Book Running Lead Managers and our Company on basis of assessment of market demand for the Equity Shares by way of Book Building as stated in chapter titled *"Basis of Issue Price"* beginning on page 68 of this Draft 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 our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the statements under the chapter titled "*Risk Factors*" beginning on page 12 of this Draft Red Herring Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

IPO GRADING

This Issue has been graded by [●] and has been assigned the IPO Grade [●]/5 indicating [●] in its letter dated [●], 2012. The IPO grading is assigned on a five point scale from 1 to 5 with ―IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For more information on IPO grading, please refer to the chapters titled *"General Information"*, *"Other Regulatory and Statutory Disclosures"* and *"Material Contracts and Documents for Inspection"* beginning on pages 42, 208 and 289 respectively of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
IDBI CAPITAL MARKET SERVICES LIMITED 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021, Maharashtra **Tel**.: +91-22-4322 1212 **Fax**: +91-22-2285 0785 **Email**: ushereco.ipo@idbicapital.com **Investor Grievance Id**: redressal@idbicapital.com **Website:** www.idbicapital.com **Contact person:** Mr. Hemant Bothra/ Mr. Keyur Desai **SEBI Registration No**.:INM000010866	**SMC CAPITALS LIMITED** 3rd Floor, 'A' wing, Laxmi Tower, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra **Tel**.:+91-22-6138 3838 **Fax**:+91-22-61383899 **Email**: ushereco.ipo@smccapitals.com **Investor Grievance Id**: investor.grievance@smccapitals.com **Website:** www.smccapitals.com **Contact person:** Mr. Abhishek Gaur **SEBI Registration No**.: MB/INM000011427	**BIGSHARE SERVICES PRIVATE LIMITED** E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072, Maharashtra **Tel.**: +91-22-4043 0200 **Fax**: +91-22-2847 5207 **Email**: ipo@bigshareonline.com **Investor Grievance Id**: ipo@bigshareonline.com **Website:** www.bigshareonline.com **Contact person:** Mr. Ashok Shetty **SEBI Registration No**.: INR 000001385

BID/ISSUE PERIOD

ISSUE OPENS ON*	[●]	ISSUE CLOSES ON**	[●]

**Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*
***Our Company in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Draft Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

"Usher Eco Power Limited, "our Company", "the Company", "UEPL", "the Issuer Company", "the Issuer" "we", "us" and "our"	Unless the context otherwise requires, refers to Usher Eco Power Limited, a public limited company incorporated under the Companies Act.

Company related terms

Term	Description
Articles / Articles of Association	The Articles of Association of our Company.
Auditors	The statutory auditors of our Company, being M/s. Haribhakti & Co., Chartered Accountants.
Board of Directors / Board	The Board of Directors of our Company or a committee thereof duly constituted.
Corporate Promoter/UAL	Usher Agro Limited.
Group Entities / Group Companies	Includes entities constituting companies, firms, ventures etc. promoted by the promoters of the issuer as defined under the SEBI ICDR Regulations irrespective of whether such entities are covered under Section 370(1)(b) of the Companies Act, 1956 or not. For further details, please refer to the chapter titled "*Our Group Entities*" beginning on page 143 of this Draft Red Herring Prospectus.
Individual Promoters	Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi.
Key Managerial Personnel	Means those officers of our Company other than Executive Directors at the immediate level below our Board of Directors. For details, please refer to the chapter titled *"Our Management"* beginning on page 122 of this Draft Red Herring Prospectus.
Promoter(s)	Unless the context otherwise requires, refers to Dr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi and Usher Agro Limited.
Promoter Director(s) / Individual Promoter(s)	Unless the context otherwise requires, refers to Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi.
Promoter Group	Includes such persons and entities constituting our Promoter Group in terms of Regulation 2(zb) of the SEBI ICDR Regulations. For details, please refer to the chapter titled *"Our Promoter Group"* beginning on page 142 of this Draft Red Herring Prospectus.
Registered Office	The registered office of our Company located at 424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400 053, Maharashtra.

Issue Related Terms

Term	Description
Allot / Allotment / Allotment of Equity Shares	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to the successful Bidders.
Allocation / Allocation of Equity Shares	Allocation of Equity Shares pursuant to this Issue.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of ₹ 1,000 lacs.
Anchor Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed. Anchor Investors are not permitted to withdraw their Bids after the Anchor Investor Bid/Issue Period.
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares after the Anchor Investor Bid/ Issue Period.
Anchor Investor Issue Price	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors under the Anchor Investor Portion in terms of the Red Herring Prospectus and the Prospectus, which price may be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLMs.
Anchor Investor Pay-in Date	It shall be the date by which, if the Issue Price is higher than the Anchor Investor

Term	Description
	Issue Price, the Anchor Investor shall bring in the additional amount.
Anchor Investor Portion	Up to 30% of the QIB Portion consisting of up to [●] Equity Shares, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investors Issue Price.
Applications Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Issue.
ASBA Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder.
ASBA Bidder	Prospective investors (except Anchor Investors) in this Issue who intend to Bid/ apply through ASBA.
BAN	Beneficiary Account Number
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Accounts will be opened, being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted as described under the chapter titled *"Issue Procedure – Basis of Allotment"* beginning on page 228 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto in terms of the Red Herring Prospectus.
Bid Amount	The highest Bid Price indicated in the Bid cum Application Form.
Bid / Issue Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the members of the Book Running Lead Managers and the SCSBs will not accept any Bids for this Issue, which shall be notified in a widely circulated English national daily newspaper and a Hindi national daily newspaper and a Marathi newspaper each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date also to be notified on the websites and terminals of the Book Running Lead Managers and SCSBs, as required under the SEBI ICDR Regulations.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Bid/ Issue Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the members of the Book Running Lead Managers and SCSBs shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the websites and terminals of the Book Running Lead Managers and SCSBs, as required under the SEBI ICDR Regulations.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus *vide* the Bid cum Application Form.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bidding Period	Except in relation to Anchor Investors, the period between the Bid / Issue Opening Date and the Bid / Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, inclusive of any revision thereof.
Book Building Process / Book Building	Book building mechanism as provided in Part A of Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is made.
BRLM(s) / Book Running Lead Manager(s)	The Book Running Lead Managers to this Issue, in this case being IDBI Capital Market Services Limited and SMC Capitals Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation including any revisions thereof, sent to each successful Bidder indicating the Equity Shares allocated after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at *http://www.sebi.gov.in/pmd/scsb.pdf*, or at such other

Term	Description
	website as may be prescribed by SEBI from time to time.
Cut off / Cut off Price	The Issue Price finalized by our Company in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders, including address, Bidders' bank account details, MICR code and occupation derived by the Registrar to the Issue from the PAN, DP ID and Client ID mentioned in the Bid cum Application Form.
Depository / Depositories	NSDL and CDSL, the depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant or DP	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Form from the ASBA Bidders and a list of which is available on www.sebi.gov.in.
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account and the amount blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to the Allottees.
Designated Stock Exchange	[●] is the designated stock exchange for the purpose of this Issue.
Draft Red Herring Prospectus / DRHP	This draft red herring prospectus dated February 2, 2012 filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain, *inter alia*, complete particulars of the price at which the Equity Shares are issued.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid for the Equity Shares, pursuant to the terms thereof.
Equity Shares	Equity Shares of our Company of face value of ₹ 10 each.
Escrow Account	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidders (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount.
Escrow Agreement	The agreement dated [●] among our Company, the Registrar, the Book Running Lead Managers, Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and remitting refunds, if any of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Bank(s)	[●] being the bank(s) appointed under Escrow Agreement, which are clearing member/s and registered with SEBI as Banker(s) to the Issue with whom the Escrow Account for the Issue will be opened.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form, as the case may be
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted including any revisions thereof
GIR Number	General Index Registry Number.
IPO Grading Agency	[●], the credit rating agency appointed by our Company, in consultation with the Book Running Lead Managers for grading this Issue.
IDBI Caps	IDBI Capital Market Services Limited.
Issue	Public Issue of [●] Equity Shares with a face value of ₹ 10 each of Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 8,500 lacs.
Issue Price	The final price at which Equity Shares will be issued and Allotted to the successful Bidders in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date. Provided that for the purposes of the Anchor Investors, this price shall be the Anchor Investor Issue Price.
Issue Proceeds	Proceeds to be raised by our Company through this Issue.
Listing Agreement	Equity listing agreements to be entered into by our Company with the Stock Exchanges.
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
Mutual Funds	A mutual fund registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or [●] Equity Shares available for allocation to Mutual Funds only, on a proportionate basis.
Net Proceeds	Net proceeds of the Issue after deducting the Issue related expenses.

Term	Description
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non Institutional Bidders	An investor other than a retail individual investor and qualified institutional buyer.
Non Institutional Portion/ Non Institutional Bidders Portion	The portion of the Issue being not less than 15% of the Issue consisting of not less than [●] Equity Shares available for Allocation to Non Institutional Bidders.
NRE Account	Non-Resident External Account.
NRO Account	Non-Resident Ordinary Account.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000.
Pay-in Date	With respect to QIB Bidders, the Bid Closing Date or last date as specified in the CAN sent to Bidders.
Pay-in-Period	Except with respect to ASBA Bidders, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/ Issue Closing Date.
Payment through electronic transfer of funds	Payment through ECS, NEFT, Direct Credit or RTGS, as applicable.
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and a maximum price (Cap Price) of ₹ [●] including any revisions thereof.
Pricing Date	The date on which our Company in consultation with the Book Running Lead Managers finalizes the Issue Price.
Prospectus	The prospectus to be filed with the RoC for this Issue after the Pricing Date in terms of Section 56, 60 and 60B of the Companies Act, containing, among other things, 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 addenda or corrigenda thereof.
Public Issue Account	The bank account opened with the Bankers to the Issue by our Company under Section 73 of the Companies Act to receive monies from the Escrow Account(s) and the ASBA Accounts, on the Designated Date.
QIBs/ Qualified Institutional Buyers	"qualified institutional buyer" means: (i) a mutual fund, venture capital fund and foreign venture capital investor registered with SEBI; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India.
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being a minimum [●] Equity Shares to be Allotted to QIBs, including Anchor Investors.
Red Herring Prospectus/RHP	The red herring prospectus to be issued in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI ICDR Regulations, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue. The red herring prospectus will be filed with the RoC at least three days before the opening of this Issue and will become a Prospectus after filing with the RoC, the copy that includes the details of pricing and Allocation and final size of this Issue.
Refund Account(s)	The account opened with the Refund Banker, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Banker(s)	The bank(s) which is/ are clearing members and registered with SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being [●].
Registrar/ Registrar to this	Registrars to the Issue in this instance being, Bigshare Services Private Limited,

Term	Description
Issue	having Registered Office at E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072, Maharashtra.
Resident Retail Individual Bidders	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has Bid for Equity Shares for an aggregate amount not more than ₹ 2,00,000 in all of the bidding options in the Issue.
Retail Portion	The portion of the Issue being not less than 35% of this Issue, consisting of [●] Equity Shares, available for allocation to Retail Bidders on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid price in any of their Bid cum Application Forms (if submitted in physical form) or any previous Revision Form(s), as the case may be.
RTGS	Real Time Gross Settlement.
Self Certified Syndicate Banks (SCSBs)	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on www.sebi.gov.in.
SCSB Agreement	The agreement to be entered into between the SCSBs, the Book Running Lead Managers, the Registrar to the Issue, our Company only in relation to the collection of Bids from the ASBA Bidders and payment of funds by the SCSBs to the Public Issue Account.
SMC Caps	SMC Capitals Limited.
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended.
Syndicate	The BRLMs and Syndicate Member(s)
Syndicate Agreement	The agreement dated [●] between our Company, [●] and [●], in relation to the collection of Bids in this Issue (excluding Bids from ASBA Bidders).
Syndicate Member(s)	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, in this case being [●].
Syndicate Members in Specified Cities / Syndicate ASBA Locations	The Syndicate/Sub-Syndicate Members located in 12 centres – Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat who shall accept the Bid cum Application Forms. SEBI vide Circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011 has listed 12 bidding centres for availing ASBA facility through Syndicate/Sub-Syndicate Members.
Transaction Registration Slip/ TRS	The slip or document issued by the members of the Syndicate or the SCSBs upon demand as the case may be; to the Bidders as proof of registration of the Bid.
Underwriters	The BRLMs and Syndicate Member(s).
Underwriting Agreement	The agreement dated [●] between the Underwriters to the Issue and our Company to be entered into on or after the Pricing Date.
Working Day(s)	Unless the context otherwise requires: (i) Till the Bid / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) Post the Bid / Issue closing date: All days other than a Sunday or a public holiday And on which commercial banks in Mumbai are open for business in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical and Industry Related Terms

Term	Description
ABETS	Advanced Bioresidue Energy Technologies Society
ata	Atmospheres Absolute
16 MW Plant	16 MW biomass (rice husk-fired) based co-generation power plant at Tehsil Chhata, Mathura, Uttar Pradesh
Biomass based co-generation power project/co-generation power project/Project	18 MW biomass (rice husk-fired) based co-generation power plant to be set up at Tehsil Chhata, Mathura, Uttar Pradesh
BOT	Build-Operate-Transfer
BM	Build Margin
BU	Billion Unit
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CER	Certified Emission Reductions

Term	Description
CERC	Central Electricity Regulatory Commission
CII	Confederation of Indian Industry
CM	Combined Margin
CPCB	Central Pollution Control Board
CTU	Central Transmission Utility as defined in the Electricity Act, 2003
Cu.m.	Cubic meter
DCS-SCADA	Distributed and Supervisory Control Systems
DM	De-mineralised
EPC	Engineering-Procurement-Construction
ESP	Electrostatic Precipitator
ETP	Effluent Treatment Plant
GENCO	Generation Company
GHG	Greenhouse Gases
IMF	International Monetary Fund
IPPs	Independent Power Producers
IPSIT	Indian Institute of Science Precipitated Silica Technology
KV	Kilo Volt
KW/kW	Kilo Watt
LT	Low Tension
MITCON	MITCON Engineering & Consultancy Services Limited
MNES	Ministry of Non-conventional Energy Sources
MNRE	Ministry of New and Renewable Energy
MoP	Ministry of Power
MT	Million Tons
Mu	Million Units
MW	Megawatts
NEDA	Non-Conventional Energy Development Agency
NHAI	National Highways Authority of India
NLDC	National Load Dispatch Centre
O&M	Operation and Maintenance
OM	Operating Margin
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PRDSH	Pressure Reducing and De-Super Heating station
RCC	Reinforced Cement Concrete
REC	Renewable Energy Certificate
RLDC	Regional Load Dispatch Centre
RMSA	Raw Material Supply Agreement
R&D	Research and Development
RPO	Renewable Purchase Obligations
SEBs	State Electricity Boards
SERC	State Electricity Regulatory Commission
SLDCs	State Load Despatch Centres
SPV	Special Purpose Vehicle
STG	Steam Turbine Generator
STP	Sewage Treatment Plant
STU	State Transmission Utility
T&D	Transmission and Distribution
TG	Turbine Generator
TPH	Tons Per Hour
TPTCL	Tata Power Trading Company Limited
UMPP	Ultra Mega Power Project
UNFCCC	United Nations Framework Convention on Climate Change
UPPCL	Uttar Pradesh Power Corporation Limited
VERs	Verified Emission Reductions

Conventional/General Terms/Abbreviations

Abbreviation	Full Form
A/c	Account

Abbreviation	Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year; the period of twelve months commencing from the first day of April every year
BAN	Beneficiary Account Number
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CLRA	Contract Labour (Regulation and Abolition) Act, 1970 as amended from time to time.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director’s Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant’s Identity
DRHP	Draft Red Herring Prospectus
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortisation and extraordinary items
ECB	External Commercial Borrowing
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	Employees Provident Fund and Miscellaneous Provisions Act, 1952
Electricity Acts	Electricity Act, 2003
EPS	Earnings Per Share
ESI	Employee’s State Insurance
ESIC	Employee State Insurance Corporation
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor, as defined under the FII Regulations and registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FY / Financial Year / fiscal	A period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign Venture Capital Investor as defined in and registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GDP	Gross Domestic Product
GoI/ Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
i.e.	That is
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offer
IREDA	Indian Renewable Energy Development Agency
IS	International Standard
IT	Information Technology
I. T. Act	The Income Tax Act, 1961, as amended from time to time
km/kms	Kilometre(s)
Lakh(s) / Lac(s) / lakh(s) lacs(s)	0.10 million
Ltd.	Limited.
MICR	Magnetic Ink Character Recognition
MoA	Memorandum of Association
MOU	Memorandum of Understanding
Mn/mn	Million
M.P	Madhya Pradesh

Abbreviation	Full Form
N.A.	Not Applicable
NAV	Net Asset Value being paid-up equity share capital plus free reserves (excluding reserves created out of revaluation, preference share capital and share application money) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of 'profit and loss account', divided by number of issued equity shares outstanding at the end of financial year.
NEFT	National Electronic Fund Transfer
NFE	Net Foreign Exchange Earnings
NHPC	National Hydroelectric Power Corporation
NPV	Net Present Value
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTPC	National Thermal Power Corporation
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price/Earnings Ratio
RBI	Reserve Bank of India
RHP	Red Herring Prospectus
RoC	Registrar of Companies, Maharashtra at Mumbai
RoNW	Return on Net Worth
₹/Rs./ Rupees / INR	Indian Rupees, the legal currency of the Republic of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover Regulations), 2011, as amended from time to time.
US / U.S./ U.S.A	The United States of America
US$ / USD / U. S. Dollars	United States Dollars, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act and the rules and regulations made thereunder or such other applicable laws as amended from time to time.

Notwithstanding the foregoing:

(i) Under the chapter titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 267 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter;

(ii) Under the chapter titled "*Financial Statements*" beginning on page 155 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter;

(iii) In the paragraphs titled "*Disclaimer Clause of BSE Limited*" and "*Disclaimer clause of National Stock Exchange of India Limited*" on page 213 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in those paragraphs;

(iv) Under the chapter titled "*Statement of Tax Benefits*" beginning on page 70 this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements prepared in accordance with the Indian GAAP, the Companies Act and SEBI ICDR Regulations which are included in this Draft Red Herring Prospectus, and set out under the chapter titled "*Financial Statements*" beginning on page 155 of this Draft Red Herring Prospectus.

The financial year of our Company commences on April 1 of each year and ends on March 31 of the next year. All references to a particular financial year are to the 12 month period ended March 31 of that year. 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, IFRS and US GAAP. Our Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. 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.

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

Currency and Units of presentation

All references to "India" are to the Republic of India and all references to the "Government" are to the Government of India.

In this Draft Red Herring Prospectus, references to "Rupees" or "Rs." "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'lacs / Lakhs / lac' means 'one hundred thousand' and 'Crore' means 'ten millions' and 'billion / bn. / Billions' means 'one hundred crores'. Throughout this Draft Red Herring Prospectus, all figures have been expressed in lacs, unless otherwise stated.

Market and Industry Data

Unless stated otherwise, industry data used throughout this Draft Red Herring Prospectus has been obtained from publicly available sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified by any independent source.

Further, the extent to which the market data is presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

FORWARD LOOKING STATEMENTS

We have included statements in this Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result in”, “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”. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements.

These forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- The performance of the Indian and global financial markets;
- Increased competition or other factors affecting the industry segments in which our Company operates;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various financial products;
- Our power generation capacity;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Currency exchange rate fluctuations;
- Increases in interest rates;
- Changes in technology;
- Industry trends;
- Changes in political and social conditions in India, 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;
- Receipt of appropriate approvals or licenses;
- Reduction or elimination of government subsidies and economic incentives;
- Market fluctuations and industry dynamics beyond our control;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, our Promoter Group / Group Companies and other related parties;
- Contingent liabilities, environmental problems and uninsured losses; and
- Changes in government policies and regulatory actions that apply to or affect our business;

For further discussion of factors that could cause our actual results to differ, please refer to the section titled “*Risk Factors”* and the chapter *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* beginning on pages 12 and 181 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, its Directors and officers, the Underwriters, nor any of their respective affiliates or associates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Managers will ensure that investors in India are informed of material developments until such time as the grant of the final listing and trading permissions by the Stock Exchanges for the Allotment.

SECTION II – RISK FACTORS

An investment in equity securities 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 together with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 92 and 181, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

Any of the following risks as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this offering unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared under Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

INTERNAL RISK FACTORS

1. We may be unable to complete the construction of our project on time, and/ or our construction costs could increase to levels that could make the proposed Project too expensive to complete or unprofitable to operate.

Our 16 MW Plant is scheduled to be commissioned from March 2012 and are proposing to develop another 18 MW from the proceeds of this Issue. In this regard, we may experience delays in the completion of our project and the total construction cost of this project may exceed our estimated budget. We may suffer significant construction delays or construction cost increases as a result of a variety of factors, including failure to receive turbines or other critical components and equipment from third parties on schedule and according to design specifications, failure to complete interconnection to transmission networks, failure to receive quality and timely performance of third-party services, failure to secure and maintain required regulatory and environmental permits or approvals, adverse weather, environmental and geological conditions and force majeure or other events out of our control. Any of these factors could give rise to construction delays and construction costs in excess of our budgets, which could prevent us from completing construction of the project, cause defaults under our financing transactions and impair our business, financial condition and results of operations.

For more information on the project that has experienced time and cost overruns, please refer to the chapter titled *"History and Certain Corporate Matters"* on page 114 of this Draft Red Herring Prospectus. For details on the utilisation of the proceeds of the Issue, please refer to the chapter titled *"Objects of the Issue"* beginning on page 62 of this Draft Red Herring Prospectus.

2. Our Corporate Promoter, Usher Agro Limited is involved in certain legal proceedings.

Our Corporate Promoter, Usher Agro Limited is involved in certain litigations. The legal proceeding as mentioned below is pending with the concerned adjudicating authority.

Type of Legal Proceedings	Total number of pending cases	Financial Implications in ₹
Application on appeal pertaining to Value Added Tax	1	2,19,47,561
Application on appeal pertaining to Central Sales Tax	1	20,06,615
Total	**2**	**2,39,54,176**

For details relating to the litigation involving our Corporate Promoter, please refer to chapter titled *"Outstanding Litigation and Other Material Developments"* beginning on page 200 of this Draft Red Herring Prospectus.

3. Our Company does not have any operating history which makes it difficult to measure our future performance effectively. Any inability to effectively implement and operate our co-generation power project could adversely affect our business prospects, financial condition and results of operation.

We currently have no power project in operation or other revenue generating operations, and we have no operating history from which you can evaluate our business, future prospects and viability. However we are in the process of commencing commercial operation of our 16 MW Plant situated at Tehsil Chhata, Mathura, Uttar Pradesh and is scheduled to commence operation from March 2012. Thus, we do not have experience that demonstrates our ability to develop and manage medium scale power project including our ability to manage the growth of our business. The development of power projects involves various risks, including among others, regulatory risk, construction risk, financing risk and the risk that such projects may prove to be unprofitable. Implementing power project also poses significant challenges to our management, administrative, financial and operational resources. Any inability to effectively implement and operate our co-generation power project could adversely affect our business prospects, financial condition and results of operation

4. Our Company has faced time and cost overrun in the past with respect to the implementation of its 16 MW Plant. There is no assurance that we may not face any time and cost overrun with respect to our proposed Project.

Our Company was supposed to commence operations of its 16 MW Plant in July 2011, however the operations are now expected to commence from March 2012. The time overrun has been on account of delay in installation of plant and machinery and civil construction work. Further the total cost overrun for the 16 MW Plant as per management estimate is ₹ 189 lacs. The cost overrun is on account of increase in pre-operative expenses due to delay in execution of the project. As per our management estimates the proposed Project shall commence commercial operations on September 2013. However, there is no assurance that we will be able to complete the Project as per the timelines in the schedule of implementation. For details relating to the time and cost overrun of our 16 MW Plant, please refer to chapter titled *"History and Other Corporate Matters"* beginning on page 114 of this Draft Red Herring Prospectus. For details on the schedule of implementation of our proposed Project, please refer to chapter titled *"Objects of the Issue"* beginning on page 62 of this Draft Red Herring Prospectus.

5. We have not entered into long term raw material supply agreements with fuel suppliers for 100% of our fuel requirement. We may not be able to secure fuel at competitive prices which may have an adverse effect on our business prospects, financial condition and results of operations.

Our power projects, both the 16 MW Plant and the proposed Project, are primarily rice husk fired projects, although other biomass fuel like bagasse can also be used. The success of our operations will depend on, among other things, our ability to source fuel at competitive prices. We have an agreement with UAL for supply of rice husk which is valid for a period of three years which, we believe, will allow us to meet some of our raw material requirements. However, we have not entered into long term raw material/fuel supply agreements with suppliers for the entire amount of fuel required for our power projects. Further, the amount of energy generated and the profitability of biomass power plants are highly dependent on the availability and quality of fuel. Various factors, including climate change, crop productivity and labour shortages may contribute to the availability and quality of fuel necessary for our biomass projects. If we cannot secure adequate supplies of fuel, over and above the supply from UAL, energy output at our biomass power plants will decline. There can be no assurance that we will be able to obtain the balance fuel requirement from other suppliers in sufficient quantities or on commercially acceptable terms, or at all, which could have an adverse effect on our business, financial condition and results of operations.

6. ***We have limited experience in managing challenges related to biomass based co-generation power business. Any failure to manage such challenges could delay our ability to generate revenue from such projects, which could have a material adverse impact on our business, financial condition and results of operations.***

We have limited experience in biomass based co-generation power business. Though our Promoters have already set up a 1 MW captive power plant to supply power for its existing milling operations, our Promoters are not experienced in biomass based co-generation power projects. We are in the process of commencing commercial power generation at our 16 MW Plant. We cannot assure you that we will be able to effectively implement this Project and manage our growth, which may adversely affect our business operations and financial condition. We are subject to various risks including, among others, regulatory risks, construction risks, financing risks and the risk that these projects may prove unprofitable. We have little experience in developing, commissioning, operating and managing power plants or in competing in the commercial power generation business. Any failure to manage such challenges could delay our ability to meet our customer's requirements and delay our ability to generate revenue from such projects, which could have a material adverse impact on our business, financial condition and results of operations.

7. ***Our Project may have a long gestation period and substantial capital outlay before we begin to realize any benefits or returns on investments, which could adversely affect our results of operations.***

Due to the nature of our business, our Project may have a long gestation period and substantial capital outlay before completion and may require a considerable amount of time before positive cash flows can be generated. The time and costs required in completing a project may be subject to increases due to factors including shortages of materials, equipment, skilled personnel and labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, delays in obtaining the requisite licenses, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances. Any delay in implementation of our Project could adversely affect our results of operations.

8. ***We have not entered into any Power Purchase Agreement (PPA) for our proposed Project. Any failure on our part to enter into off-take arrangements could have material adverse effect on our business and financial performance.***

As on date of this Draft Red Herring Prospectus, we have a Power Purchase Agreement with Tata Power Trading Company Limited for purchase of power generated at our 16 MW Plant at Tehsil Chhata, Mathura, Uttar Pradesh, which is scheduled for commencement of power generation in March 2012. However, for our proposed Project, for which we propose to raise funds through this Issue, we have not entered into any power purchase agreement. We propose to sell power generated from the proposed Project to state run utility companies and industrial consumers, either through entering into long term power purchase agreement and/or on merchant basis/ spot sales. It is likely that any decision by these entities regarding the purchase of power from us will depend upon a variety of factors, some of which are beyond our control, such as the demand for power, the availability of alternative sources of supply, and the competitiveness of the various potential power producers. We cannot assure you that we will be able to enter into off-take arrangements on terms that are favourable to us, or at all, despite the existing demand supply gap for power in India. Failure to enter into off-take arrangements in a timely manner and on terms that are commercially acceptable to us could adversely affect our business, financial condition and results of operations.

9. ***We have not entered into any definitive agreement or placed orders for the plant and machinery required for our proposed power plant. Further, there may be a delay in delivery of the plant and machinery of such order for the proposed Project, which in turn could adversely affect our business prospects, financial condition and results of operation.***

We have not yet entered into any definitive agreements or placed orders for any plant and machinery. As a result, at the time of placing the orders, the price of the machineries may vary from the existing price as per the estimated cost specified under the chapter titled *"Objects of the Issue"* and hence the total fund requirement may increase. Further, there is no assurance that plant and machinery for which the order would be placed for the proposed Project would be delivered as per the implementation schedule, which in turn may impact the total project cost, financial condition, results of operation and liquidity position adversely.

10. Our business is subject to extensive government regulation and changes in these regulations or in their implementation could disrupt our operations and adversely affect our results of operations.

Our business is subject to significant national and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. We expect that environmental laws will continue to become stricter. Compliance with current and future environmental regulations may require substantial capital expenditure. We may be required to bear additional expenditure for establishment of additional infrastructure for monitoring pollution impact and effluent discharge. We could be subject to substantial civil and criminal liability and other regulatory consequences if any environmental hazard is found at the site of our power plant, or if the operation of any of our power plant results in any contamination of the environment. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result of such contamination could have a material adverse effect on our business prospects and results of operations. For details relating to regulations applicable to our industry please refer to chapter titled *"Regulations and Policies in India"* beginning on page 100 of this Draft Red Herring Prospectus.

11. We rely on transmission lines and other transmission facilities that are owned and operated by government or public entities. Where we may not have access to available transmission and distribution networks, we may have to engage contractors to build transmission lines, which exposes us to transmission line development risk and which may delay and increase the costs of our projects.

Consistent with industry practice, we depend on electric transmission lines owned and operated by government or public entities to deliver the electricity we sell. Currently we do not have access to transmission and distribution network and we may not be able to secure access to the available transmission and distribution networks at reasonable prices or at all. Moreover, in the event of a failure in the transmission facilities, we may lose revenues. Transmission limitations may cause us to curtail our production of electricity, impairing our ability to fully capitalize on our plant's potential. Any such failure could have a material adverse effect on our business, financial condition and results of operations. The extent and reliability of the Indian electricity grid could adversely affect our results of operations and financial condition.

India's physical infrastructure, including its electricity grid, is less developed than that of many developed countries. The transmission and dispatch of the full output of our plant may be curtailed as a result of grid constraints, such as grid congestion, restrictions on transmission capacity of the grid and restrictions on electricity during certain periods. As the electricity we generate is not stored and must be transmitted or utilised once generated, we may have to stop producing electricity during the period when electricity is unable to be transmitted due to grid congestion or other grid constraints. Such events could reduce the net power generation of our plant which in turn could have an adverse effect on our results of operations and financial condition.

12. We have not yet identified the additional land for the purpose of biomass storage, which may affect our profitability and financial conditions.

The proposed Project shall be set up on the existing land owned by our Company. Further, our Company is proposing to utilize ₹ 773 lacs of the proceeds of the Issue towards acquiring additional land for biomass storage, extension of switch yard, essential quarters etc. However, as on date of this Draft Red Herring Prospectus, our Company is yet to identify the land for such acquisition. There is no assurance that we will be able to identify and acquire the required land as per our schedule of implementation. For details relating to the land owned by our Company, please refer to the chapter titled *"Our Business"* beginning on page 92 of this Draft Red Herring Prospectus.

13. ***There are limited number of customers for purchase of power generated by our cogeneration power projects. Any inability or failure by these customers to meet their contractual commitments may have material adverse affect on our business.***

There are limited number of customers for purchase of power generated by our cogeneration power projects. As on the date of this Draft Red Herring Prospectus, we have entered into Power Purchase Agreement with Tata Power Trading Company Limited for our 16 MW Project. Any inability or failure by these customers to meet their contractual commitments or insolvency or liquidation of our customers may have material adverse affect on our business, results of operations and financial position. In addition we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities or agencies.

14. ***We have not entered into construction contracts with any of the contractors. Any delay or deviation in our construction schedule could lead to time and price escalation of the project.***

We have not entered into construction contracts for our proposed Project. The principal raw materials used in construction of power project include cement and steel besides installation of boilers, turbines, generators and other equipments. The cost of these contracts is ultimately affected by the availability, cost and quality of raw materials. The prices and supply of these and other raw materials depend on factors not within our control, including general economic conditions, competition, production levels, transportation costs and import duties. Price increases or shortages in these raw materials could adversely affect our ability to develop our power project in line with our projected budget and we may not be able to complete our power project as scheduled, which would have an adverse effect on our business, financial condition and results of operations.

15. ***Our Company did not comply with Section 383A of the Companies Act, regarding the appointment of whole time company secretary. Such non-compliance may result into penalties or other action on our Company by the statutory authorities.***

Our Company did not comply with Section 383A of the Companies Act, 1956 regarding the appointment of whole-time company secretary between March 2010 and November 2011. Our Company or our officers may be liable for imposition of fines for such non-compliance under Section 383A of the Companies Act, 1956, for the aforesaid period. However, our Company has appointed Ms. Deepika Sabni as the Company Secretary w.e.f. November 11, 2011.

16. ***We expect to receive certain tax benefits, which may not be available to us in the future.***

In accordance with and subject to the condition specified in Section 80 IA of' the Income Tax Act, 1961, we would be entitled to deduction of 100% of profits derived from the generation of power for any 10 consecutive assessment years out of 15 years beginning from the year in which the company starts generating power, subject to compliance with conditions specified in Section 80 IA. Deduction u/s. 80-IA (iv) shall be available only in respect of an undertaking which starts generating power on or before March 2012. For details of the tax benefits available to us, see the chapter titled "*Statement of Tax Benefits*" on page 70 of this Draft Red Herring Prospectus.

17. ***Revenues from our co-generation power projects are exposed to market electricity prices and a decline in market electricity prices below anticipated levels could have a material adverse effect on our business and financial performance.***

Pricing for part of the electricity proposed to be sold by our power projects depends on market prices. Market prices may be volatile and are affected by various factors, including the cost of raw materials used as sources of energy, average rainfall levels, the cost of power plant construction, the technological mix of installed generation capacity and user demand. In certain cases, we may enter into long-term agreements for the sale of electricity at a benchmark price. If the market price for electricity rises above anticipated levels, we may be unable to supply electricity to customers who are willing to pay a higher price, which will disadvantage our business in relation to our competitors. In certain other cases, the prices we may charge for our electricity are set by regulatory entities and/or by the governments through a tariff system. There can be no assurance that the market price for electricity will remain at levels that would enable us to maintain profit margins at our desired rates of return. A decline in market prices below anticipated levels in these cases could have a material adverse effect on our business, financial condition and results of operations.

18. Our proposed Project requires significant capital expenditure and if we are unable to obtain the necessary funds on acceptable terms, we may not be able to fund our proposed Project and our business may be adversely affected.

The setting up of a cogeneration power project is a capital intensive business. Our estimated Project cost is ₹ 9,700 lacs, for which we have received sanction letter from Axis Bank Limited for ₹ 3000 lacs as a secured loan. The implementation of our power project is also subject to a number of variables, and the actual amount of capital required to implement the power project may differ from our estimates. We cannot guarantee that the funding requirements of our Project will not exceed these estimates. If the funding requirement of the Project increases, we will require additional sources of finance, which may not be readily available, or may not be available on commercially reasonable terms. In addition, our existing financing agreement provides that we need to obtain approval of our existing lender for incurring further indebtedness. We cannot assure you that we will receive such approvals in a timely manner or at all. If we are unable to raise the capital needed to fund the cost of our power project, or experience any delays in raising such funds, there could be an adverse effect on our ability to complete the power project and on our revenues and profitability.

19. Our Company is exposed to currency exchange risks. Any adverse fluctuations in currency exchange rates may adversely affect our financial condition and result of our operations

While most of our revenues and expenses are expected to be denominated in Indian Rupees, our debt funding is via an external commercial borrowing ("**ECB**"). Since we have to repay the loan in dollar terms while our revenues are denominated in Indian Rupees, we are exposed to currency risk on our ECB facility. The exchange rate between the Rupee and the U.S. Dollar has fluctuated substantially in the recent years and may continue to fluctuate significantly in the future. We currently have not hedged our currency risk using hedging instruments and cannot assure you that we will do so in future. Depreciation of the Indian Rupee against foreign currencies may adversely affect our results of operations. The aggregate amount of unhedged outstanding balance as on December 31, 2011 is USD 13.25 million.

20. Our Company currently does not have any financing in place for working capital requirements. Any failure to maintain adequate working capital or obtain financing for our working capital requirements could have a material adverse effect on our business and financial results.

As most of our financing arrangements are project-specific, we do not currently have any financing in place for our Company's working capital requirements. From time to time, our plans may change due to changing circumstances, business developments or investment opportunities or unforeseen contingencies. If our plans do change, we may have to seek additional debt financing or raise additional equity, which we may not be able to accomplish on commercially reasonable terms or quickly enough to meet our working capital needs. We cannot assure you that we will be able to maintain adequate working capital or obtain or raise adequate financing to fund future working capital requirements on acceptable terms, in time or at all. Any failure to maintain adequate working capital or obtain financing for our working capital requirements could have a material adverse effect on our business and financial results.

21. We require several licenses/ approvals/ permissions for carrying on our business. If our Company is unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. Further, we have not applied for licenses/ approvals/ permissions in relation to the objects of this Issue.

We require certain approvals, licenses, registrations and permissions for operating our Company's business, for some of which, our Company has either made or is in the process of application. As on date of this Draft Red Herring Prospectus, we have applied for certain licenses/approvals/permissions, and are in the process of application for the remaining. If our Company fails to obtain these approvals/ registrations/ licenses/ permissions, or renewals thereof, in a timely manner, or at all, our Company's operations would be adversely affected, having a material adverse effect on our business, results of operations and financial condition. Our Company has applied for the following licenses with respect to the 16 MW Plant, which we have yet not received:

License which have been applied for but yet not been approved/ granted:

Sr. No.	Approval sought	Authority	Date of Application
1.	Consent for ground water use for new 16 MW biomass (Rice husk based) power plant at Tehsil Chhata, Mathura, Uttar Pradesh	Central Ground Water Authority	November 27, 2008
2.	Clearance by Airports Authority of India for chimney height	The Airport Authority of India	August 11, 2011
3.	Approval for access to private property along National Highway at 109 km Stone	National Highways Authority of India (NHAI)	June 1, 2009
4.	Application to obtain grant for the cogeneration power plant from Non-Conventional Energy Development Agency, (NEDA) U. P. , Government of Uttar Pradesh	U. P. New And Renewable Energy Development Agency	March 11, 2011
5.	No Objection Certificate for the plant	Chief Fire Officer, Regional Office, Mathura	January 31, 2011
6.	Boiler Approval under Indian Boiler Act, 1923	The Director of Boiler, Kanpur, Uttar Pradesh	September 21, 2011

As on date of this Draft Red Herring Prospectus, we have not made application for any permits relating to the proposed Project. We cannot assure you that we will be able to obtain and comply with all necessary licenses, permits and approvals required for our plants, or that changes in the governing regulations or the methods of implementation will not occur. Additionally, if we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations. For details on government/statutory approvals obtained by our Company, please refer to the chapter titled *"Government and Other Approvals"* beginning on page 204 of this Draft Red Herring Prospectus.

22. We have experienced negative cash flows in prior periods. Any negative cash flows in the future would adversely affect our results of operations and financial condition.

We have in the past, experienced negative cash flows, the details of which are set out below:

Particulars	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	September 30, 2011
Net Cash from Operating Activities	32,71,942	(41,96,750)	(12,47,604)	58,13,450	3,64,69,070
Net Cash from Investing Activities	(4,06,56,159)	(3,10,60,397)	(1,94,59,944)	(26,43,83,924)	(35,55,44,542)
Net Cash from Financing Activities	4,01,37,166	3,39,99,117	27,07,40,992	25,54,18,103	9,96,10,868
Net increase/(decrease) in Cash and Cash Equivalents	27,52,949	(12,58,030)	25,00,33,444	(31,52,371)	(21,94,64,604)

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected. For further details please refer to chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and *Annexure – III* titled *"Summary Statement of Restated Cash Flows"* under the chapter titled *"Financial Statement"* beginning on pages 181 and 155 of this Draft Red Herring Prospectus.

23. Increase in interest rates could adversely affect our financial condition.

We are exposed to interest rate risk as we have not entered into any swap or interest rate hedging transactions in connection with our loan agreement or other material agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our financial condition.

24. Our Promoters and Directors are interested in our Company.

Our Individual Promoters Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi are also executive directors of our Company and are interested to the extent of remuneration payable to them for their services as executive directors of our Company and also to the extent of Equity Shares held by them. Our Promoter Directors are also interested in the transactions entered into between our Company and our Promoter Group/Group Entities.

Also, our independent directors, Mr. Ajay Prakash Arora and Mr. Vijay Ranchan are also shareholders of our Company and are interested to the extent of such shareholding. Further, all our non-executive Directors are also interested to the extent of sitting fees payable to them for attending meetings of the Board of Directors or a committee thereof.

Further, our Company has entered into a Trademark License Agreement dated October 15, 2011, with our Corporate Promoter, Usher Agro Limited, for use of its registered trademark " ".

For further details, please refer to the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* and the chapters titled "*Our Management*", "*Our Promoters and Their Background*" and "*Government and Other Approvals*" beginning on pages 155, 122, 135 and 204 of this Draft Red Herring Prospectus.

25. Possible conflict of interest between UAL and our Company may affect implementation of our business strategy which could adversely affect our result of operations.

Our Corporate Promoter, Usher Agro Limited also generates electricity for its internal consumption. However, we cannot assure that UAL will continue to generate electricity only for internal consumption and may sell power commercially. This may affect implementation of our business strategy which could adversely affect our result of operations.

26. There has been a short fall in the promise vs performance relating to the public issue of our Corporate Promoter, UAL in 2006

Our Corporate Promoter, UAL had made a public issue of 1,20,12,000 equity shares of face value of ₹ 10 each at a premium of ₹ 5 per equity share, aggregating to ₹ 18,01,80,000 in September 2006. However, there has been a short fall in the performance relating to the use of the issue proceeds as against the promise set out in its offer document. The details of the shortfall are as follows:

Sr. No.	Objects of the Issue as provided in the offer document	Amount to be utilized as stated in the offer document (₹ in lacs)	Performance (₹ in lacs)	Reasons for variation in the performance
1.	Part finance the wheat roller flour mill project at Mathura including working capital	747.90	757.85	Due to variation in configuration of certain machinery there has been an increase in cost.
2.	To Fund modernization of rice mill plant situated at Mathura	413.75	387.44	Efficiencies in project implementation and good bargain price terms with machinery suppliers, the company was able to save as against the estimated project cost.
3.	To fund co-generation power project at Mathura	345.18	475.69	Due to changes and modification in boiler configuration, updation in turbine technology and increase in electrical equipment cost.

Sr. No.	Objects of the Issue as provided in the offer document	Amount to be utilized as stated in the offer document (₹ in lacs)	Performance (₹ in lacs)	Reasons for variation in the performance
4.	To meet long term working capital requirements for existing operations	175.00	19.45	The remaining issue proceeds have been used towards this head. The company has subsequently tied up for the shortfall in meeting long term working capital requirements.
5.	Issue Expenses	120.00	161.40	As actual

For details relating to the public issue of our Corporate Promoter, please refer to chapter titled *"Our Promoters and their Background"* beginning on page 135 of this Draft Red Herring Prospectus.

27. Some of our group companies have incurred losses in the previous fiscals.

Except for Usher Agro Limited, five of our Group Companies have incurred losses previously.

(₹in lacs)

Name of the Group Company	FY 2009	FY 2010	FY 2011
Usher Oils and Foods Limited	(1.29)	(0.09)	(13.23)
Usher Infra Logic Limited	(1.20)	(5.83)	1.45
Narayani Nivesh Nigam Private Limited	(3.12)	(1.63)	(17.54)
Vedika Finance Private Limited	(23.20)	0.45	(5.06)
Usher Capitals Limited	(2.13)	(1.53)	(13.79)

28. We have entered into, and may continue to enter into, related party transactions which have involved or could potentially involve conflicts of interest and impose certain liabilities on our Company. Further, any inability to obtain terms from third parties similar to the terms we receive from related parties for future transactions could materially and adversely affect our business, financial condition and results of operations.

We have, in the course of our business, entered into transactions with related parties that include entities forming part of Promoter Group/Group Companies. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest and impose certain liabilities on our Company. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For further details, please refer to the chapter titled *"Our Group Entities"* and the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* and beginning on page 143 and 155 respectively of this Draft Red Herring Prospectus.

29. Our success largely depends on the experience of our Promoters and our ability to attract and retain our skilled key managerial personnel. Any inability to retain them could adversely affect our business prospects, financial condition and results of operation.

We depend on the expertise, experience of our Promoters who jointly have over 4 years of experience in the field of power generation and continued efforts of our key managerial personnel. If either of our Promoters is unable or unwilling to continue in his present position, our business could be adversely affected. Further, if one or more members of our key managerial personnel are unable or unwilling to continue in his/her present position, it could be difficult to find a replacement and our business could be adversely affected. It is possible that we may not be able to retain our existing key managerial personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, any loss of any of our Promoters or key managerial personnel could adversely affect our business, operations and financial condition. For further details on our Promoters and the key managerial personnel of our Company please refer to the chapters titled *"Our Promoters' and their Background"* and "*Our Management*" beginning on pages 135 and 122 respectively of this Draft Red Herring Prospectus.

30. *We are subject to certain restrictive covenants under the loan facility towards our 16 MW Plant provided to us by Axis Bank which could have material adverse effect on our business and financial performance. Further, our lenders have charge over our movable and immovable properties in respect of finance availed by us.*

Our Company has availed secured loan from Axis Bank Limited. As on December 31, 2011 the total outstanding amount in the name of our Company is USD 13.25 million. Our loans are secured by creating a charge over our movable and immovable properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited to our lenders. Our lender has certain restrictive rights which include:

- Conclude any fresh borrowing arrangement either secured or unsecured with any bank or financial institutions, borrower or otherwise, not create any further charge over their fixed assets without prior approval in writing;
- Undertake any expansion or fresh project or acquire fixed assets, while normal capital expenditure e.g., replacement of parts, can be insured
- Invest by way of share capital in or lend or advance to or place deposits with any other concern (normal trade credit or security deposit in the routine course of business or advances to employees can, however be extended)
- Formulate any scheme of amalgamation with any other borrower or reconstruction, or acquire any company;
- Undertake guarantee obligations on behalf of any other borrower or any third party
- Declare dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation;
- Make any repayment of the loans, deposits and discharge other liabilities except those shown in the funds flow statement from time to time;
- Make any change in their management set-up.

Further, our Company for its proposed Project, is in the process of availing ₹ 3000 lacs loan from Axis Bank Limited. The sanction letter dated December 7, 2011 issued by Axis Bank Limited to our Company has certain restrictive terms as follows:

- The project shall be completed in all respects and commercial operations should commence by September 30, 2013.
- UAL shall not dilute their stake in UEPL below 51%.
- UAL shall arrange funds or meet any cost overrun of the Project Cost/shortfall in resources of the Project in respect of completion of the Project.
- UAL shall retain management control of the UEPL during the tenor of the facility.

For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule please refer to chapter titled *"Financial Indebtedness"* beginning on page 181 of this Draft Red Herring Prospectus.

In the event the lenders refuse to grant the requisite approvals, such refusal may adversely impact our business. Further, any breach by us of any of the conditions imposed by such approvals granted by the lenders may be considered as a default of our obligations under such loan agreements.

31. *Our success depends on the reliable and stable supply of water to our power project. Any disruption in availability of water could adversely affect our power generation capacity.*

Our co-generation power projects will require a substantial amount of water, which is critical to the operations of our power project. The water requirements of the power plant will be met from the borewells at the plant site which we believe would be sufficient to meet our requirement. However, in the event of water shortages or insufficiency of ground water resources, our power project may be required to reduce water consumption, which would reduce our power generation capability.

32. *Our success depends on stable and reliable transportation infrastructure. Any disruption in the transportation infrastructure could impair our ability to procure raw material, thus affecting our results of operations.*

We are dependent on various forms of transport, such as roadways and railways, both during construction of our co-generation power project and during its operation. Further, disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in the road or rail infrastructure, or other events could impair the ability of our suppliers to deliver fuel and other raw materials. We can provide no assurance that such disruptions due to the occurrence of any of the factors cited above will not occur in the future.

33. We may not be able to carry out effective O&M activities for our power project which could adversely affect our business prospects, financial condition and results of operation.

We currently intend to carry out in-house O&M activities for our power project, in which we do not have any prior experience. We intend to build a team of experienced and qualified engineers and technicians to operate and maintain our power project. If we are not successful in operating and maintaining our power project on cost effective terms or at all, our financial position, business prospects and results of operations could be adversely affected.

34. The operations of our co-generation power project may be adversely affected by any breakdown of key equipment, civil structure and/ or transmission system.

The breakdown or failure of generation equipment or other key equipment or of a civil structure can disrupt generation of electricity by the power plant and result in the performance being below the expected capacity utilization. Further, any breakdown or failure of the transmission system can disrupt the transmission capacity the plant. These events may result in our inability to generate power as well as loss of revenues and increased cost towards repairs & maintenance.

35. We may not have adequate insurance to cover all of the hazards of our business. If we were to incur a serious uninsured loss or a loss that significantly exceeded the limits of our insurance policies, it could have a material adverse effect on our business, financial condition or results of operations.

We presently maintain such insurance coverage as we believe is adequate for our present level of operations and coverage of normal risk associated with the operation of our business. We have obtained *"Erection All Risk Insurance"* cover from National Insurance Company for our plant and machinery, erection cost including salaries and wages, buildings and third party liability. Our insurance policy, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limitations on risk coverage and claims. We cannot assure you that the terms of our insurance policy will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations.

36. The deployment of the issue proceeds is entirely at the discretion of the issuer and is not subject to any monitoring by any independent agency.

Our estimated fund requirements are based on our current business plan and strategy. However, we operate in a highly competitive and dynamic industry, and as such, we may have to revise our business and capital outlay plans from time to time. Accordingly, prospective investors will need to rely upon the judgment of our management with respect to the use of the proceeds of the Issue. Our allocation of the proceeds of the Issue is based on current plans and business conditions. The amounts and timing of any expenditure will vary depending on the amount of cash generated by our operations, competitive, market as well as technological developments, and the number and type of new acquisitions and investments we undertake. Accordingly, subject to "*Objects of the Issue*" on page 62, our management will have considerable discretion in the application of the proceeds of the Issue. Our management's judgment will have to be relied upon regarding the application of the Issue proceeds. We may be unable to use the Issue proceeds for the intended purpose and the Issue proceeds, pending investment in our businesses, may be placed in interest/dividend bearing instruments including mutual funds, deposits with banks and other investment-grade interest bearing securities. These investments may not produce returns or decline in value, which may cause the price of our Equity Shares to decline. Since the expected size of the fresh Issue is less than ₹ 50,000 lacs, we are not required to appoint a monitoring agency under the SEBI ICDR Regulations. Hence, the deployment of Issue proceeds is at the discretion of our Company and will not be subject to monitoring by any independent agency. We cannot assure you that we will be able to conduct our affairs in a manner similar to that of a business that is subject to monitoring by an independent agency.

37. We have issued Equity Shares, in the last twelve months, at a price which may be lower than the Issue Price.

Our Company has issued Equity Shares to the following persons in the year preceding the date of this Draft Red Herring Prospectus, which may be at a price lower than the Issue price:

Sr. No.	Name of the Shareholder	Date of Issue	Whether Belongs to Promoter Group	Number of Equity Shares (Face value of ₹ 10 each)	Issue Price (₹)	Reasons for Issue
1.	Usher Agro Limited	August 13, 2011	Yes	32,49,231	10	Preferential Allotment
2.	Dr. Vinod Kumar Chaturvedi	August 13, 2011	Yes	2,60,969	10	Preferential Allotment
3.	Mr. Manoj Chaturvedi	August 13, 2011	Yes	1,00,000	10	Preferential Allotment
4.	Vedika Finance Private Limited	August 13, 2011	Yes	5,10,000	10	Preferential Allotment
5.	Narayani Nivesh Nigam Private Limited	August 13, 2011	Yes	5,10,000	10	Preferential Allotment
6.	Mr. Vijay Ranchan	October 24, 2011	Independent Director	10,000	10	Preferential Allotment
7.	Major General Vinod Kumar Khanna	October 24, 2011	Independent Director	10,000	10	Preferential Allotment
8.	Mr. Ajay Prakash Arora	October 24, 2011	Independent Director	10,000	10	Preferential Allotment
9.	Mr. S.P. Arora	October 24, 2011	No	10,000	10	Preferential Allotment
10.	Mr. Dinesh Gupta	October 24, 2011	No	70,000	10	Preferential Allotment
11.	Mrs. Anita Gupta	October 24, 2011	No	30,000	10	Preferential Allotment
12.	Mr. Satish Kusumbiwal	October 24, 2011	No	70,000	10	Preferential Allotment
13.	Mrs. Madhu Kusumbiwal	October 24, 2011	No	30,000	10	Preferential Allotment

38. Changes in technology may impact our business by making our power plant less competitive or obsolete which could adversely affect our business prospects, financial condition and results of operation.

Our future success will depend in part on our ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. Changes in technology and high fuel costs may make other generation plants more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. In addition, there are other technologies that can produce electricity, most notably fuel cells, micro turbines, windmills and photovoltaic (solar) cells. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and our financial performance could be adversely affected.

39. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

We cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations. We may enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we do not propose to engage those labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial condition and results of operations.

40. Activities in the power generation business can be dangerous and can cause injury to people or property in certain circumstances which could cause significant disruption in our business, and subject us to legal and regulatory actions, costs and liabilities, which could adversely affect our business, financial condition and results of operations.

The power generation business requires us to work under potentially dangerous circumstances, with highly flammable materials. Despite compliance with requisite safety requirements and standards, our operations are subject to hazards associated with handling of such flammable materials. If improperly handled or subjected to unsuitable conditions, these materials could hurt our employees or other persons, cause damage to our properties and properties of others and harm the environment. This could cause significant disruption in our business and subject us to legal and regulatory actions, costs and liabilities, which could adversely affect our business, financial condition and results of operations.

41. If we are unable to implement our growth strategies in a timely manner, our business and results of operations could be adversely affected.

The success of our business will depend greatly on our ability to implement our business strategies effectively. For detail description of our business strategies please refer to the chapter titled *"Our Business"* beginning on page 92 of this Draft Red Herring Prospectus. Implementation of our business strategies has placed and is expected to continue to place, significant demands on our management, capital, administrative and human resources. Our growth strategies involve risks and difficulties, many of which are beyond our control and accordingly there can be no assurance that we will be able to complete our plans on schedule or without incurring additional expenditures or at all. There can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

42. The premises used as our registered office is not owned by us, and have been taken on leave and license. Any failure to renew these said agreements or procure new premises could adversely affect our results of operation.

Our Company has entered into a Leave and License Agreement dated February 11, 2011 with Usher Oils and Foods Limited for use of our Registered Office situated at 424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400053, Maharashtra for a term of 5 years with effect from February 11, 2011. The aforesaid agreement has termination clauses, and may be terminated prior to its validity period.

There can be no assurance that this agreement would be renewed upon expiry or termination or on terms and conditions not acceptable to us. Any failure to renew the said agreement or procure new premises will increase our costs or force us to look out for alternative premises which may not be available or which may be available at higher rental costs. Any or all of these factors may have a material adverse effect upon our business, results of operations and financial condition.

43. The name and logo " "used by our Company is a registered trademark in the name of our Corporate Promoter, UAL and is used by us under terms of a license agreement. In the event of termination of the agreement or any infringement of this trademark, we may not have any immediate recourse, which may adversely affect our ability to conduct our business as well as affect our reputation and consequently, our results of operations.

Our Corporate Promoter, Usher Agro Limited has registered its trademark " " bearing registration no. 1784746 issued by the Registrar of Trademarks under the Trade Marks Act, 1999 and valid upto May 12, 2019. We have entered into a Trademark License Agreement dated October 15, 2011 for the use of this trademark. In the event of termination of the Trademark License Agreement, we will have to discontinue the use of the said trademark.

There can be no assurance that we or UAL have taken all adequate steps at all times to prevent third parties from using the trademark or from naming any products using this trademark. In addition, there can be no assurance that third parties will not assert rights in, or ownership of this trademark we use or other intellectual property rights. In the event of any infringement of this trademark, we may not have any immediate recourse, which may adversely affect our ability to conduct our business as well as affect our reputation and consequently, our results of operations.

44. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.

We have not paid any dividends in the past and there can be no assurance that we will pay dividends in the future. The declaration of dividends would be recommended by our Board of Directors, at its sole discretion, and would depend upon a number of factors, including Indian legal requirements, our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into. In the past, we have not made dividend payments to holders of Equity Shares. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the power projects, financial condition and results of operations.

45. We would continue to be controlled by our Promoters after the Issue, and our remaining shareholders would not be able to affect the outcome of most items requiring shareholder voting. Their interests may conflict with your interests as a shareholder.

Post this Issue, our Promoters and Promoter Group will own [●]% of our fully diluted Equity Share capital. Accordingly, our Promoters will continue to have control over our business including matters relating to any sale of or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. This control could delay, defer, or prevent a change in control in our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company even if it is in its best interest. Our Promoters may also influence our material policies in a matter that could conflict with the interests of our other shareholders.

EXTERNAL RISK FACTORS

1. There could be political, economic or other factors that are beyond our control but may have a material adverse impact on our business and results of operations should they materialize.

The following external risks may have a material adverse impact on our business and results of operations should any of them materialize:

- Political instability, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions in India in general and our business in particular;
- slowdown in economic growth in India could adversely affect our business and results of operations. The growth of our business and our performance is linked to the performance of the overall Indian economy.
- Civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or other countries could materially and adversely affect the financial markets which could impact our business. Such incidents could impact economic growth or create a perception that investment in Indian companies involves a higher degree in risk which could reduce the value of our Equity Shares
- Natural disasters in India may disrupt or adversely affect the Indian economy, the health of which our business depends on;
- Any downgrading of India's sovereign rating by international credit rating agencies may negatively impact our business and access to capital. In such event, our ability to grow our business and operate profitably would be severely constrained;
- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations; and

- The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted.

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

Our financial statements are prepared in accordance with Indian GAAP, which differs in certain respects from IFRS. As a result, our financial statements and reported earnings could be different from those which would be reported under IFRS. Such differences may be material. We have not attempted to quantify the impact of IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Because differences exist between Indian GAAP and IFRS, the financial information in respect of our Company contained in this Draft Red Herring Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS. 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. In making an investment decision, investors must rely upon their own examination of our Company, the terms of the Issue and the financial information relating to our Company. Potential investors should consult their own professional advisers for an understanding of these differences between Indian GAAP and IFRS, and how such differences might affect the financial information contained herein. Because there is significant lack of clarity on the adoption of and convergence with IFRS we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholder's equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems and internal controls. Moreover, there is increasing competition for the small number of IFRS experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS and any failure to successfully adopt IFRS will not adversely affect our reported results of operations or financial condition.

3. ***Wage pressures in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.***

Wage costs in India have historically been significantly lower than wage costs in the United States of America, Europe and other developed economies for comparably skilled professionals, which has been one of India's competitive strengths. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may result in an adverse effect on our business, financial condition and results of operations.

4. ***We cannot guarantee the accuracy of facts and other statistics with respect to India, the Indian economy and the power sector contained in this Draft Red Herring Prospectus.***

Facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the Indian power sector have been derived from various publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While we have taken reasonable care in the reproduction of the information, the same has not been prepared or independently verified by us, the BRLMs or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or statistics.

5. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association, regulations of our directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder than as shareholder of a corporation in another jurisdiction.

Risks Related to Equity Shares

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

Prior to the Issue, there has been no public market for the Equity Shares of our Company. An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the BRLMs, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following the Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations and be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors and industries in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the present state of our development;
- the valuation of publicly traded companies that are engaged in business activities similar to ours, economic conditions in India;
- the volatility of the BSE, NSE and securities markets elsewhere in the world;
- the performance of our competitors and the perception in the market about investments in the power sector;
- adverse media reports on us or the Indian power sector;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There can be no assurances that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently. In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Listing approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the Stock Exchanges, we are required to refund all monies collected to investors. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares.

This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

8. ***Future issuances or sales of the Equity Shares by any existing shareholders could significantly affect the trading price of the Equity Shares.***

The Equity Shares offered in the Issue will be freely tradable without restriction in the public market, unless purchased by our affiliates. The existing shareholders will be entitled to dispose of their Equity Shares following the expiration of a one year "lock-in" period, other than the Equity Shares of our Promoters that will be locked in for three years. Any future equity issuances by us or sales of our Equity Shares by our Promoters may adversely affect the trading price of our Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Furthermore, the market price of our Equity Shares could decline if some of our existing shareholders sell a substantial number of Equity Shares subsequent to listing or the perception that such sales or distributions could occur. This, in turn, could make it difficult for you to sell Equity Shares in the future at a time and at a price that you deem appropriate.

9. ***Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the recent financial crisis in the United States and European countries lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from 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 market sentiment.

10. ***You will not be able to immediately sell any of the Equity Shares you purchase in the Issue on an Indian Stock Exchange.***

The Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We are required to allot and list the Equity Shares within 12 Working Days of the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and listing and trading permissions are received from BSE and NSE. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any failure or delay in obtaining the approval may restrict your ability to dispose of your Equity Shares as allotted.

11. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

Prominent Notes

1. Our Company, Promoters, Directors, Promoter Group or persons in control of our Company have not been prohibited or debarred from accessing the capital market by SEBI. Also, none of our Promoter, directors or persons in control of our Company was or is a promoter, director or person in control of any other company that is debarred from accessing the capital market under any order or directions made by SEBI. Further, our Company, it's Promoters, their relatives, Directors, Promoter Group or persons in control of our Company are not declared as wilful defaulters by RBI / Government Authorities and there are no violations of securities laws committed in the past or pending against them.

2. This Issue is being made through a 100% Book Building Process, wherein atleast 50% of the Issue will be allocated to Qualified Institutional Buyers ("**QIBs**") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Provided that our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Bidders may participate in this Issue through the ASBA process by providing the details of the respective bank accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details refer to chapter titled *"Issue Procedure"* beginning on page 228 of this Draft Red Herring Prospectus.

3. The net worth of our Company, before the Issue as per our restated financial statements as at March 31, 2011 and September 30, 2011 was ₹ 18,83,47,285 and ₹ 23,40,19,998 respectively.

4. The Net Asset Value per Equity Share as per our restated financial statement was ₹ 9.67 as on March 31, 2011 and ₹ 9.71 as on September 30, 2011.

5. Any clarification or information relating to this Issue shall be made available by the BRLMs and our Company to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. Investors can contact the Compliance Officer and / or the Registrar to the Issue and / or Book Running Lead Managers, i.e. Mr. Krishna Suvarna, Bigshare Services Private Limited, IDBI Capital Market Services Limited or SMC Capitals Limited respectively, for any complaints pertaining to this Issue at the Pre-Issue or Post-Issue stage.

6. The following table represents average cost of acquisition of Equity Shares by our Promoters as on date of this Draft Red Herring Prospectus. For details, please refer to sub-heading titled *"Details of the build up of Promoters' shareholding in our Company" under the* chapter titled "*Capital Structure*" beginning on page 51 under of this Draft Red Herring Prospectus.

Sr. No.	Name of the Promoters	Average cost of acquisition (in ₹)
1.	Dr. Vinod Kumar Chaturvedi	13.86
2.	Mr. Manoj Chaturvedi	10.00
3.	Usher Agro Limited	10.00

7. In the event of the Issue being oversubscribed, the allocation shall be on a proportionate basis to QIBs, Retail Individual Bidders and Non-Institutional Bidders. For further details, please refer to the chapter titled *"Issue Procedure"* beginning on page 228 of this Draft Red Herring Prospectus.

8. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.

9. Under-subscription, if any, in any category, except in the QIB Portion, shall be allowed to be met with spill-over from the other categories, at the sole discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Allocation in all the categories shall be on a proportionate basis.

10. We have not issued any shares for consideration other than cash.

11. For details of Group Entities having business interest in or other interest in our Company, please refer to the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* beginning on page 155 of this Draft Red Herring Prospectus.

12. The details of transactions by our Company with our Group Entities during the last financial year ending March 31, 2011 is as follows:

Details of the transactions with our Related Parties

	For the six months' period ended September 30, 2011	For FY 2011	For FY 2010	For FY 2009	For FY 2008
A. Issue of Equity Share Capital	46,302,000	91,170,000	37,670,000	48,163,000	16,695,000
B. Share Application Money Received	-	47,897,000	107,870,000	39,148,000	45,085,000
B. Rent , Electricity & Telephone Exp. Paid	343,823	282,412	120,000	106,333	-
C. Reimbursements					
a) Incurred by related parties on our behalf	1,675,957	1,194,689	1,007,329	843,194	-
b) Incurred for related parties	-	6,314,595	-	-	-
D. Amount Received	500,000	6,300,000	1,351,674	482,500	-
E. Amount Repaid	2,175,957	1,194,689	2,479,003	1,432,027	-
F. Interest Received	-	25,890	-	-	-
F. Director Remuneration	730,000	600,000	600,000	460,000	-
A. Personal Guarantees	597,867,166	463,020,500	248,270,000	-	-

	For the six months' period ended September 30, 2011	For FY 2011	For FY 2010	For FY 2009	For FY 2008
2. Closing Balances					
A. Equity Capital held	239,490,000	193,698,000	102,528,000	64,858,000	16,695,000
B. Director Remuneration payable	305,000	468,896	291,070	-	-
C. Rent , Electricity & Telephone Expenses Payable	249,456	-	-	-	-
D. Share Application Money	0	46,302,000	89,575,000	19,375,000	28,390,000

For details relating the financial information of our Company, please refer to chapter titled "*Financial Statements*" beginning on page 155 of this Draft Red Herring Prospectus.

13. Our Company was incorporated as Usher Eco power Limited *vide* Certificate of incorporation dated July 20, 2007 bearing CIN U40102MH2007PLC172552 under the Companies Act by the RoC. At the time of incorporation, the registered office of our Company was situated at 212, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053, Maharashtra. With effect from February 11, 2011, the Registered Office of our Company has been shifted to its current address situated at 424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053, Maharashtra.

14. Except, as disclosed under the chapter titled "*Capital Structure*" beginning on page 51 of this Draft Red Herring Prospectus, neither our Promoters nor our Directors have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

15. We and the BRLMs are obliged to keep this Draft Red Herring Prospectus updated and inform the public of any material change / development until the listing and trading of the Equity Shares offered under the Issue commences.

16. None of our Promoters, Directors and their relatives, Promoter Group or Group Entities, have entered into any financing arrangement or have financed the purchase of securities of our Company during the last six months prior to the date of this Draft Red Herring Prospectus.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section has been extracted from various websites and publicly available documents from various industry sources. Neither we, nor any other person connected with the Issue has independently verified or attempted to verify the information provided in this section. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investment decisions should not be based to an undue extent on such information. Industry sources and publications are also prepared based on information and estimates as of specific dates and may no longer be current. The data may have been reclassified by us for the purpose of presentation.

Overview of the Indian Economy

India had a GDP on a purchasing power parity basis (*equalized exchange rates*) of an estimated US $ 4.046 trillion in calendar 2010. *(Source: United States Central Intelligence Agency Factbook)*. This made the Indian economy the fifth largest in the world after the European Union, United States, China and Japan.

The broad-based recovery of the Indian economy started in the second half of FY 2010 and continued through the first quarter of FY 2011. The Indian economy exhibited robust acceleration in the pace of recovery in the fourth quarter of FY 2010 led by strong growth in industrial activities. GDP growth in the first quarter of FY 2011 showed a significant recovery from the 5.8 % growth recorded during the second half of FY 2009 and also grew over the 7.7% figure of previous quarter by recording a figure of 8.5%, mainly on account of the investment component. However, the growth rates of GDP at market prices and all its components were lower in the first quarter of 2011-12 than in the corresponding quarter of the previous year, which was 9.1% *(Source: RBI's Macroeconomic and Monetary Developments Second Quarter Review 2011-12 dated October 24, 2011)*

The global growth projection for 2011 was lowered to 4.0% from 4.3%. The IMF lowered the estimate for both, advanced economies, which saw the deepest cut, as well as for emerging and developing economies. It also lowered its growth forecast for India to 7.8% (for 2011) at market prices corresponding to 7.6% at factor cost (for 2011-12 and 2012-13). *(Source: World Economic Outlook, IMF, September, 2011)*

Overview of the Power Sector

With the rapid fiscal expansion and growth of the economy, India has always been a power deficit country. According to the Central Electricity Authority's ("**CEA**") monthly review of the power sector ("**CEA Monthly Review**") published in September 2011, the total energy deficit and peak power deficit for the period April 2011 to August 2011 was approximately 5.90% and 8.2%, respectively. The peak power and energy shortages have been primarily attributed to sluggish capacity addition due to a myriad of reasons. The Indian economy is based on planning through successive five year plans ("**Five Year Plans**") that set out targets for economic development in various sectors, including the power sector. During the 9th Five Year Plan (1997-2002) ("**9th Plan**"), capacity addition achieved was 19,015 MW, which was 47.5% of the 40,245 MW targeted under the 9th Plan. During the course of the 10th Five Year Plan (2002 to 2007) ("**10th Plan**"), capacity addition achieved was 21,180 MW, which was 51.6% of the 41,110 MW targeted under the 10th Plan. *(Source: White Paper on Strategy for 11th Plan, prepared by the CEA and the Confederation of Indian Industry, August 2007)*. The current revised capacity target for the 11th Five Year Plan (2007-2012) ("**11th Plan**") is 78,700 MW. As of September 30, 2011, capacity addition achieved over the 11th Plan has been 63.55% of the target addition or 50,015.41 MW. The total installed power generation capacity in India was 182,344.62 MW as of September 30, 2011. The planned capacity addition for the financial year 2011-2012 was 17,716 MW of which 49.21% has been achieved in the first two quarters. *(Source: CEA Monthly Review, September 2011)*.

Renewable Power Generation

During the last few decades, the demand for electricity in India has increased greatly, primarily due to the rapid rate of urbanization and industrialization. The conventional fossil fuel resources for power generation are fast depleting and there is a growing concern over the environmental degradation caused by conventional power plants.

Against such implications, power generation from non-conventional resources assumes greater significance. The importance of renewable energy was recognized in the country in the early 1970s. India has today one of the largest programmes for renewable energy. The Ministry of Non-conventional Energy Sources ("**MNES**") created in 1992 was the nodal agency of the Government of India for all matters relating to new and renewable energies. It was renamed to Ministry of New and Renewable Energy ("**MNRE**") in 2006. The national programme covers the entire gamut of technologies, including improved chulhas, biogas plants, short rotation fuel wood tree species, biomass, solar thermal and solar photovoltaic systems, wind farms, wind mills, biomass based cogeneration, small and micro hydro electric systems, energy recovery from urban, municipal and industrial wastes, hydrogen energy, ocean energy, fuel-cells and gasohol etc. In each of these areas, there are programmes of resource assessment, research and development and technology commercialization.

Fossil fuels and hydro-electricity will continue to play a dominant role in the country's energy sector in the next few decades. However, fossil fuel resources are limited, and non-renewable energy sources, therefore need to be used prudently. At the same time the existing technologies of production, transmission and distribution of electricity as well as end-use have inherent inefficiencies. It is, therefore, imperative to diversify the country's energy supply.

India and renewable power

Renewable energy is seen as an effective option for ensuring access to modern energy services. In addition, it also provides a degree of national energy security. Today, India is at the forefront of international effort to harness renewable energy resources and has one of the largest and most broad-based programmes in non-conventional energy. There is significant potential in India for generation of power from renewable energy sources such as wind, small hydro, biomass and solar energy which can be seen from the growth in the installed power generation capacity of renewable sources since the beginning of the 9th Plan (April 1, 2007). However, with the recent thrust from the government through policies and initiatives, the current plan i.e. 11th Plan has seen the maximum capacity addition for power generated through renewable means. Till September 2011, around 13,500 MW of renewable power generation capacity has added. As of September 2011, around 21,000 MW of installed capacity is generated through renewable sources constituting 11.53% of the total installed power generation capacity as compared to a miniscule 2% of the total installed power generation capacity at the end of March 2002 *(Source: CEA Monthly Review, March 2002 – 2011, September 2011)*

Biomass

Biomass has always been an important energy source for the country considering the benefits it offers. It is renewable, widely available and carbon-neutral. Biomass is also capable of providing firm energy. According to MNRE, about 32% of the total primary energy used in the country is still derived from biomass and more than 70% of the country's population depends upon it for its energy needs. Biomass power generation in India is an industry that attracts investments of over ₹ 600 crores every year, generating more than 5000 million units of electricity and yearly employment of more than 10 million man-days in the rural areas.

Biomass materials used for power generation include bagasse, rice husk, straw, cotton stalk, coconut shells, soya husk, de-oiled cakes, coffee waste, jute wastes, groundnut shells, saw dust etc.

SUMMARY OF BUSINESS

Overview

We are an independent renewable energy-based power co-generation company. Our first rice husk fired 16 MW biomass based cogeneration eco friendly power project ("**16 MW Plant**"), located at Tehsil Chhata, Mathura, Uttar Pradesh is nearing completion and awaits connection to the state grid.

Our 16 MW Plant has been set up on a land admeasuring 4.16 hectares. The primary fuel source for the plant is rice husk, however the technology employed permits us to use other biomass fuels such as feedstock which includes bagasse, etc. The area in proximity to the power plant, we believe, is sufficiently irrigated and can provide a sustainable source of agro residues to be utilized as feedstock. Further, UAL will be supplying us with rice husk for our existing power plant, for which we have entered into a Raw Material Supply agreement with them.

We propose to set up another rice husk based biomass co-generation power plant at Tehsil Chhata, Mathura, Uttar Pradesh having an installed power generation capacity of 18 MW from the proceeds of this Issue. This co-generation power plant will be set up on the existing land available with us.

Our Company is also planning to take up Silica production and has entered into a Technology Transfer Agreement ("**TTA**") with Advanced Bioresidue Energy Technologies Society ("**ABETS**") located at Indian Institute of Science, Bengaluru. We will be able to generate precipitated Silica from rice husk ash using this technology. In the future, we also intend to commercialize the technology and development experience by setting up power generation and silica plants on EPC/BOT basis in the vicinity of areas which have sufficient raw material availability.

Business Operations

We propose to commence commercial power generation at our 16 MW Plant from March 2012. Towards this, we have entered into a Power Purchase agreement ("**PPA**") with Tata Power Trading Company Limited ("**TPTCL**") for supply of upto 16 MW of power. For more details on the terms of PPA, please refer to the chapter titled *"Our Business"* beginning on page 92 of this Draft Red Herring Prospectus.

According to our current growth plans and based on commitment and development of our proposed Project, we expect the aggregate installed capacity of our biomass plants to increase by 18 MW in the Financial Year ending March 31, 2014. This will lead to us having an aggregate capacity of 34 MW by FY 2014.

Our Competitive Strengths

We believe that our primary competitive strengths include the following:

Strategic location of plants and proximity to raw materials

The site for our plants is located about 6 km from Kosikalan, a town near National Highway 2 (Delhi-Agra), Mathura in Uttar Pradesh. The site is about 36 kms from Mathura. The plant site and adjoining villages are well connected by roads and hence transportation happens uninhibited. We believe that we will be able to secure adequate fuel for our plant considering the fact that Mathura and regions around it are part of the rice growing belt of northern India. Further, other biomass fuel like bagasse is also available in the region. We have also entered into a Raw Material Supply Agreement ("**RMSA**") with UAL, our Corporate Promoter, for the supply of rice husk to be used as fuel for our plant. We estimate that our arrangement with UAL will enable us to meet majority of our fuel requirements. However, if UAL is not able to supply rice husk as per the RMSA, we believe that we will be able to source it adequately from other parties due to it being widely available.

Further, the location of power plant enables power to be directly fed to the local substation, consequently minimizing transmission and distribution (T&D) losses and the requirement of long feeder lines.

Rice husk as our choice of fuel

We will primarily be using rice husk to fuel our power plant. Rice husk, because of its various properties, makes for a very appropriate choice as fuel for us. One of the main reasons is that it is widely available since rice processing is an organized industry and being done on a large scale. Also, once paddy is processed for extracting rice, the rice husk left behind has no other use except for being burnt to produce heat and because of its low density and voluminous nature, it is expensive and difficult to store or transport so many such mills are eager to dispose it at the lowest cost.

Further, rice husk has a higher calorific value than bagasse which, apart from being used as fuel, is also required in the paper industry. We believe that the above reasons will enable us to procure rice husk in adequate quantities and also help us in meeting efficiency and generation requirements.

Use of emergent technology

The boiler being used by us is more efficient as compared to a traditional one. Further, the modern technology used in the boiler can be used to burn husk at a specified temperature, which will allow us to use the ash generated for extraction of silica. We have acquired a patented technology from ABETS for extraction of precipitated silica from rice husk ash. This silica will be cheaper as raw material cost and cost of conversion will be lower as compared to the traditional route of silica production.

Our power plants are located in areas with significant power deficits

The power sector in our country is characterized by power shortages that have only amplified with the economic development of the country. Uttar Pradesh, where our current and proposed plants are located, recorded a shortfall of 11,446 MU in 2010-11 and is expected to grow to 19,436 MU in 2011-12 *(Source: Generation Balance Report for 2011-12 by the Central Electricity Authority)*. As a result, we will be able to evacuate all the power that is produced in the plant, after auxiliary consumption, and are inclined to believe that we would be able to sell all the power that we will generate.

Incentives to produce power from renewable energy sources

The government has carried out a series of regulatory reforms in the sector and has provided an impetus to the utilization of renewable sources for generating energy, the results of which can be seen from figures of September 2011, showing around 21,000 MW of installed capacity being generated through renewable sources, constituting 11.53% of the total installed power generation capacity. This, when compared to 2% contribution to the total installed power generation capacity at the end of March 2002, shows a significant growth in power generation from renewable energy sources *(Source: CEA Monthly Review, March 2002 – 2011, September 2011)*. Further, the government has put in place many promotional policies, assistance schemes and fiscal incentives for equipments, projects and tariffs which, we believe will bolster us to tap additional opportunities in the renewable energy space.

We have strong management skills

Our directors have varied experience in the fields of agriculture commodities, banking, power, administration, etc. UAL, our Corporate Promoter, has been in the business of rice processing since 1996. UAL has been running a rice husk fired power plant of 1 MW since 2008 for captive consumption at its plant located at Mathura. Further, we have successfully completed construction of a 16 MW Plant at Tehsil Chhata, Mathura, Uttar Pradesh which is expected to commence power generation from March 2012.

CDM benefits

We use biomass as our source of fuel instead of fossil fuels, which entitles us to carbon credits under Kyoto Protocol. We are in the process of registering our 16 MW Plant for CDM benefits with UNFCCC.

Our Strategy

Our objective is to become an established player in the renewable energy space and contribute positively in bridging the gap between the country's demand and supply of power by employing efficient practices for utilization of renewable sources for generating energy.

Establish our position in the country's renewable energy space

We have already set up our first rice husk fired co-generation power plant having 16 MW capacity which is scheduled to be commissioned from March 2012. This facility, apart from supplying power to UAL, will supply the remaining capacity to a leading power supply company via a power purchase agreement which is already in place. With the experience and technical knowhow gained through this project, we propose to set up another plant with an installed power generation capacity of 18 MW through the proceeds of this issue, which will take our total installed capacity to 34 MW. In the future, we also intend to commercialize the technology and development experience by setting up power generation plants on EPC/BOT basis in the vicinity of areas which have sufficient raw material availability.

Additional revenue generation by further processing of by-product

After the rice husk is burnt in the boiler for generation of steam, we will use the ash generated to produce silica. We have acquired a patented technology from ABETS for the same. Further, we also intend to commercialize the technology and development experience by setting up similar silica generation plants on EPC/BOT basis for other power plants.

Identifying entities for alliances or strategic acquisitions as a method of supplementing growth with a view to build a portfolio of projects with attractive returns

We believe our experience of successfully setting up a power plant has garnered us the expertise to identify prospective partners for alliances, be it technical, commercial or financial, so as to derive value out of the alliance. We may also look at strategic acquisitions as a means of growth as and when there is a value driven opportunity present in the market. Our aim is to create a diversified portfolio of renewable energy projects with a focus on achieving attractive returns from power sales and reduce risks associated from concentration of business to a select set of projects.

Employ best industry practices with supplemental processes for setting up projects with a view to reduce installation costs as well as increase operating efficiencies

We intend to employ cost efficient methods and equipments for setting up of our projects so as to reduce installation costs. We also plan to continuously work on the entire value chain, right from procurement of raw materials to supply of power, on both, our existing plant as well as upcoming plant, so as to improve efficiencies which in turn will result in the improvement of our profitability. We plan to achieve this by focusing on renewable energy projects with diverse fuel sources, location and delivery arrangements, strengthen our plant installation knowhow, identify and acquire renewable energy assets in the market, and continue to develop long term and value driven relationships with suppliers as well as customers.

Pursue contract based model as a core strategy to improve profitability

We aim to improve profitability on the power we generate from new as well as existing plant by entering into favourable combinations of power purchase contracts with private electricity supply companies, central government agencies, private industrial and commercial consumers, etc. by taking advantage of regulatory incentives and strategically locating our projects in high electricity demand zones.

To attract, retain and train qualified personnel

Our Company recognizes work force as an integral part of industry and business. We have a strong human resources team that carries out recruitment, training, and promotion and transfer schemes. We have a timely appraisal system that recognizes employee potential for promotion and incentivisation. Our HR policy is dynamic and flexible enough to meet the timely needs of our Company. Our Company believes in the principle of 'Right person for the right job' while recruiting and promoting employees. Our Company also believes in balancing the team by regularly recruiting young professionals directly from universities through campus interviews to ensure that the team is a right blend of youth and experience.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth a summary of the financial information derived from the restated financial statements of our Company as of and for the FY 2008, FY 2009, FY 2010, FY 2011 and six months' period ended September 30, 2011.

These financial statements have been prepared in accordance with the Companies Act, Indian GAAP and accounting standards prescribed by ICAI and restated as per the SEBI ICDR Regulations and presented under the chapter titled "Financial Statements" beginning on page 155 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with the restated financial statements, the notes thereto and under the chapters titled "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 155 and 181 of this Draft Red Herring Prospectus.

Annexure - I

Summary Statement of Restated Assets & Liabilities

						(Amount in Rs.)
Sr. No.	**Particulars**	**As at**				
		30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
(A).	**Fixed Assets**					
	I. Tangible Assets					
	Gross Block	63,119,222	62,950,047	58,537,718	58,537,718	37,691,200
	Less : Depreciation	622,493	367,784	127,416	60,364	8,013
	Net Block	62,496,729	62,582,263	58,410,302	58,477,354	37,683,187
	II. Intangible Assets(Net)	992,700	1,029,467	-		
	III. Capital Work in Progress including Capital advances	604,478,724	258,969,791	11,231,078	1,989,451	337,080
	IV. Pre Operative Expenses	128,981,690	51,473,614	19,600,524	11,249,751	2,635,892
	Sub Total (A)	**796,949,843**	**374,055,135**	**89,241,904**	**71,716,556**	**40,656,159**
(B).	**Investments**	-	-	-	-	-
	Sub Total (B)	**-**	**-**	**-**	**-**	**-**
(C).	**Current Assets, Loans and Advances**					
	Inventories	-	-	-	-	-
	Sundry Debtors	-	-	-	-	-
	Cash & Bank Balances	30,026,913	248,491,517	254,772,151	1,494,919	2,752,949
	Loans and Advances	52,089,777	85,024,822	94,218,017	7,952,507	2,222,660
	Sub Total (C)	**82,116,690**	**333,516,339**	**348,990,168**	**9,447,426**	**4,975,609**
(D).	**Liabilities and Provisions**					
	Secured Loans	599,666,970	466,375,334	248,269,000	-	-
	Unsecured Loans	-	-	-	-	-
	Current Liabilities	44,900,924	6,343,935	1,333,449	792,435	1,271,942
	Provisions	178,641	202,920	54,808	-	-
	Share Application Money	300,000	46,302,000	90,575,000	19,375,000	28,390,000
	Sub Total (D)	**645,046,535**	**519,224,189**	**340,232,257**	**20,167,435**	**29,661,942**
(E).	**Net Worth (A+B+C-D)**	**234,019,998**	**188,347,285**	**97,999,815**	**60,996,547**	**15,969,826**
(F).	**Represented by -**					
	Share Capital	241,005,000	194,703,000	102,533,000	64,863,000	16,700,000
	Reserves & Surplus	-	-	-	-	-
	Less : Miscellaneous Expenditure not written off	-	-	-	-	584,139
	Less : Profit & Loss Account	6,985,002	6,355,715	4,533,185	3,866,453	146,035
	Net Worth (F)	**234,019,998**	**188,347,285**	**97,999,815**	**60,996,547**	**15,969,826**
		-	-	-	-	-

Notes:
The above statement should be read with the Notes to the Summary Statement of Restated Assets and Liabilities, Profits & Losses and Cash Flows as appearing in Annexure IV.

Annexure II
Summary Statement of Restated Profit & Loss Account

(Amount in Rs.)

Sr. No.	Particulars	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	For the period ended 31-Mar-08
(A).	**Income**					
	Net sales of products manufactured by the Company	-	-	-	-	-
	Other Income	37,480	49,842	80,317		
	Increase /(Decrease) in Stock	-	-	-	-	-
	Total	**37,480**	**49,842**	**80,317**	**-**	**-**
(B).	**Expenditure**					
	Raw Material Consumed	-	-	-	-	-
	Staff Cost	-	-	-	-	-
	Other Manufacturing Expenses	-	-	-	-	-
	Administration Expenses	630,000	1,798,839	747,049	70,000	-
	Selling & Distribution Expenses	-	-	-	-	-
	Finance Expenses	-	-	-	3,628,079	-
	Depreciation / Amortisation	36,767	73,533	-	-	-
	Preliminary Expenses written off	-	-	-	22,339	146,035
	Total	**666,767**	**1,872,372**	**747,049**	**3,720,418**	**146,035**
(C).	**Net Proft / (Loss) before Extra Ordinary Items & Tax (A-B)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**
(D).	Current tax	-	-	-	-	-
(E).	**Net Proft / (Loss) before Extra Ordinary Items (C-D)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**
(F).	Less : Extra Ordinary Items	-	-	-	-	-
(G).	**Net Proft / (Loss) after Extra Ordinary Items & Tax (E-F)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**

Notes:
The above statement should be read with the Notes to the Summary Statement of Restated Assets and Liabilities, Profits & Losses and Cash Flows as appearing in Annexure IV.

Annexure - III
Summary Statement of Restated Cash Flows

						(Amount in Rs.)
Sr. No.	**Particulars**	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
A.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit/(Loss) before Tax	(629,287)	(1,822,530)	(666,732)	(3,720,418)	(146,035)
	Less: Other Income	(37,480)	(29,842)	(80,317)		
	Less: Preliminary expenses written off		0		22,339	146,035
	Add: Depreciation\Amortisation	36,767	73,533			
	Operating Profit/(Loss) before working capital changes	**(630,000)**	**(1,778,839)**	**(747,049)**	**(3,698,079)**	**0**
	Adjustments for movement in working capital:					
	Increase/(Decrease) in Sundry Creditors & Other Payables	38,606,989	5,010,486	541,014	(479,507)	1,271,942
	(Increase) / Decrease in Loans & Advances	(1,504,171)	2,581,803	(1,032,007)	(19,164)	2,000,000
		36,472,818	5,813,450	(1,238,042)	(4,196,750)	3,271,942
	Add / (Less) : Direct Taxes	(3,748)	0	(9,562)		
	Cash from / (Used in) Operating Activities (A)	**36,469,070**	**5,813,450**	**(1,247,604)**	**(4,196,750)**	**3,271,942**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Increase in Balance in Pre Operative Expenditure during the year	(77,508,076)	(31,873,090)	(8,350,773)	(8,613,859)	(2,635,892)
	Adjustments for:					
	Depreciation	254,709	244,912	67,052	52,351	8,013
	Unrealised Foreign Exchange Fluctuation Loss	51,146,053	(2,823,838)	480,212		
	Interest and Financial charges paid	13,959,463	13,912,331	75,067		
	Upfront Fees Amortised	3,305,696	6,611,393			
	Provision for Gratuity	103,181	148,112	54,808		
	Provision for Leave Encashment	75,460	0			
		(8,663,514)	**(13,780,180)**	**(7,673,634)**	**(8,561,508)**	**(2,627,879)**
	Less: Gratuity paid to trust	(202,920)	**0**	0	0	0
		(8,866,434)	**(13,780,180)**	**(7,673,634)**	**(8,561,508)**	**(2,627,879)**
	(Increase) / Decrease in Capital Work in Progress	(345,508,933)	(247,738,713)	(9,241,627)	(1,652,371)	(337,080)
	Purchase of Fixed Assets	(169,175)	(5,563,039)		(20,846,518)	(37,691,200)
	Sale of Fixed Assets	0	44,190			0
	Investment in Fixed Deposit Receipt	(1,000,000)		(2,625,000)		0
	Interest Income	0	28,818	80,317		0
	Refund of Fixed Deposit Receipt		2,625,000			

Sr. No.	Particulars	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	(Amount in Rs.) For the period ended 31-Mar-08
	Cash from / (Used in) Investing Activities (B)	**(355,544,542)**	**(264,383,924)**	**(19,459,944)**	**(31,060,397)**	**(40,656,159)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from Borrowings	83,700,613	221,433,434	247,170,000		
	Repayments of Borrowings	(417,348)				
	Refund of loan processing fees	31,171,000	0	0		
	Interest and Financial charges paid	(15,143,397)	(13,912,331)	(75,067)		
	Upfront charges and loan processing fees paid			(84,062,141)		
	Pre IPO Expenses paid			(1,161,800)	(5,148,883)	(4,222,660)
	Proceeds from Issue of Shares		0	37,670,000	19,773,000	16,700,000
	Preliminary Expenses					(730,174)
	Increase /(Decrease) in Share Application Money	300,000	47,897,000	71,200,000	19,375,000	28,390,000
	Cash from / (Used in) Financing Activities (C)	**99,610,868**	**255,418,103**	**270,740,992**	**33,999,117**	**40,137,166**
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	**(219,464,604)**	**(3,152,371)**	**250,033,444**	**(1,258,030)**	**2,752,949**
	Cash & Cash equivalent as at beginning of the year	248,491,517	252,147,151	1,494,919	2,752,949	0
	Cash & Cash equivalent as at end of the year	29,026,913	248,491,517	252,147,151	1,494,919	2,752,949
	Effect of Exchange rate changes		503,263	(618,788)		
	Net Increase/ (Decrease) in Cash & Cash Equivalents	**(219,464,604)**	**(3,152,371)**	**250,033,444**	**(1,258,030)**	**2,752,949**

Notes:
i) The above statement should be read with the Notes to the Summary Statement of Restated Assets and Liabilities, Profits & Losses and Cash Flows as appearing in Annexure IV.
ii) Figures in bracket indicate cash outflow

THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares	
Public Issue[(a)]	[●] Equity Shares
Of which:	
A. QIB Portion [(b)]	At least [●] Equity Shares
Of which:	
Anchor Investor Portion	Upto [●] Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion	Not less than [●] Equity Shares
C. Retail Portion	Not less than [●] Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	2,43,40,500 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds	
See the chapter titled *"Objects of the Issue"* beginning on page 62 of this Draft Red Herring Prospectus for information about the use of the Issue Proceeds.	

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

Notes:

a. The Issue has been authorized by the Board of Directors pursuant to a board resolution dated August 29, 2011 and by the shareholders resolution passed at the AGM dated September 30, 2011 under section 81(1A) of the Companies Act. c. The Issue comprises [●]% of our post-Issue Equity Share capital.

*b. This Issue is being made through a 100% Book Building Process, wherein atleast 50% of the Issue will be allocated to Qualified Institutional Buyers ("**QIBs**") on a proportionate basis, subject to valid bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.*

Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see "Issue Procedure" on page 228 of this Draft Red Herring Prospectus. Assuming Anchor Investor Portion is fully subscribed, out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

c. Under-subscription, in any category, except in the QIB Portion, would be met with spill-over from other categories, at the sole discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

For details of the terms of the Issue, please refer to the chapter titled "*Terms of the Issue*" beginning on page 219 of this Draft Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Usher Eco Power Limited *vide* Certificate of incorporation dated July 20, 2007 bearing CIN U40102MH2007PLC172552 by the Registrar of Companies, Maharashtra at Mumbai, under the Companies Act.

Registered Office of our Company
424, Laxmi Plaza, Laxmi Industrial Estate
New Link Road, Andheri (West)
Mumbai-400 053,
Maharashtra
Tel: +91-22-3938 1100;
Fax: +91-22-3938 1123;
Website: www.usherecopower.com

Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

100, Everest Building,
Marine Lines,
Mumbai – 400 002,
Maharashtra
Tel. No: +91-22-2281 2639
Facsimile: +91-22-2281 1977
Email: roc.mumbai@mca.gov.in

Board of Directors

Our Board of Directors as on the date of this Draft Red Herring Prospectus are:

Sr. No.	Name	Designation	Age (in years)	DIN	Address
1.	Dr. Vinod Kumar Chaturvedi	Managing Director	46	00325197	1402, 14th Floor, La Serena CHS. Limited, J. P Road, Andheri (West), Mumbai-400058, Maharashtra
2.	Mr. Manoj Chaturvedi	Joint Managing Director	38	00616061	346, Nagla Paisa, Mathura, Uttar Pradesh
3.	Mr. Ajay Prakash Arora	Independent Director	70	01055020	305, Wing 3-B, Dheeraj Enclave, CHS., Opposite Bhor Ind, Off W.E. Highway, Borivali (East), Mumbai – 400066, Maharashtra
4.	Mr. Vijay Ranchan	Independent Director	68	01602023	Plot No. 131, Sector 8-C, Gandhi Nagar - 382008, Gujarat
5.	Major General Vinod Kumar Khanna	Independent Director	75	01050554	E – 170, Greater Kailash, Part – II, New Delhi – 110 048
6.	Dr. Palakat Joseph Paul	Independent Director	61	02223538	No. 671, 5th Main, MES Road, Muthyalama Nagar, Bengaluru – 560054, Karnataka

For further details of our Directors, please refer to chapter titled "*Our Management*" on page 122 of this Draft Red Herring Prospectus.

Company Secretary

Ms. Deepika Sabni
Usher Eco Power Limited
424, Laxmi Plaza, Laxmi Industrial Estate
New Link Road, Andheri (West)
Mumbai-400 053,

Maharashtra
Tel: +91-22-3938 1100
Fax: +91-22-3938 1123
Email: cs@usherecopower.com

Compliance Officer

Mr. Krishna Suvarna
Chief Finance Officer and Compliance Officer
Usher Eco Power Limited
424, Laxmi Plaza, Laxmi Industrial Estate
New Link Road, Andheri (West)
Mumbai-400 053,
Maharashtra
Tel: +91-22-3938 1100
Fax: +91-22-3938 1123
Email: compliance@usherecopower.com

Investors can contact the Compliance Officer and / or the Registrar to the Issue in case of any pre-Issue or post-Issue problems such as non-receipt of letters of Allocation, credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, etc.

Book Running Lead Managers

IDBI Capital Market Services Limited 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021, Maharashtra **Tel.**: +91-22-4322 1212 **Fax**: +91-22- 2285 0785 **Email**: ushereco.ipo@idbicapital.com **Investor Grievance Id**: redressal@idbicapital.com **Contact person:** Mr. Hemant Bothra/ Mr. Keyur Desai **SEBI Registration No.**:INM000010866	**SMC Capitals Limited** 3rd Floor, 'A' wing, Laxmi Tower, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra **Tel.**:+91-22-6138 3838 **Fax**:+91-22-6138 3899 **Email**: ushereco.ipo@smccapitals.com **Investor Grievance Id**: investor.grievance@smccapitals.com **Contact person**: Mr. Abhishek Gaur **SEBI Registration No.**: MB/INM000011427

Legal Advisors to the Issue

M/s. Crawford Bayley & Co.
Advocates and Solicitors
State Bank Buildings, 4th floor,
N. G. N. Vaidya Marg,
Fort,
Mumbai – 400 023,
Maharashtra
Tel: +91-22-2266 3713
Fax: +91-22-2266 0355
E-mail: sanjay.asher@crawfordbayley.com

Bankers to our Company

Allahabad Bank Worli Branch, Manish Commercial Center, 216-A, Dr. Annie Besant Road, Worli, Mumbai-400030, Maharashtra **Tel:** +91-22-2493 0744 **Fax:** +91-22-2492 7798 **E-mail:** br.mumworli@allahabadbank.co.in **Contact Person:** Mr. K.S. S. Murthy	**Allahabad Bank** Tilak Dwar Mathura- 281 001, Uttar Pradesh **Tel:** +91-5652-500 705 **Fax:** +91-5652-501 545 **E-mail:** br.mathura@allahabadbank.in **Contact Person:** Mr. Gopal Krishna Khanna
Axis Bank Building No. 788/789, Khasra No. 861/862, 867, Mani Ramvas, Shivshakti Palace, Nandgaon Road, Kosikalan, Uttar Pradesh – 281403 **Tel**: +91-5662-232 901/232 902 **Fax**: +91-5662-232 905 **E-mail**: kosikalan.operationshead@axisbank.com **Contact Person**: Mr. Neeraj Khandelwal	**Axis Bank** Laxmi The Mall, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai- 400053, Maharashtra **Tel**: +91-22-6604 4747 **Fax**: +91-22-6604 4798 **E-mail**: neeta.pai@axisbank.co.in **Contact Person**: Ms. Neeta Pai

Registrar to this Issue

Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (E),
Mumbai – 400 072,
Maharashtra
Tel.: +91-22-4043 0200
Fax: +91-22-2847 5207
Email: ipo@bigshareonline.com
Investor Grievance Id: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact person: Mr. Ashok Shetty
SEBI Registration No.: INR 000001385

All grievances pertaining to the Issue must be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Syndicate Member where the Bid was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Syndicate ASBA Locations, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Payment Amount was blocked.

It may be noted that pursuant to SEBI Circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011 SEBI has decided to make the ASBA facility mandatory for non-retail investors i.e. QIBs and Non Institutional Investors in all public/rights issues opening on or after May 2, 2011.

Statutory Auditors

M/s. Haribhakti & Co.
Chartered Accountants
701, Leela Business Park,
Andheri Kurla Road,

Andheri (E),
Mumbai – 400 059
Maharashtra
Tel: +91-22-6672 9999
Fax: +91-22-6672 9777
E-Mail: chetan.desai@bdoindia.co.in
Contact person: Mr. Chetan Desai

Bankers to the Issue
[●]

Syndicate Members
[●]

Refund Bank
[●]

Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for the ASBA process is available at http://www.sebi.gov.in/pmd/scsb.html. For more information on the Designated Branches collecting Bid cum Application Forms, see the above mentioned SEBI link.

Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Syndicate ASBA Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available at http://www.sebi.gov.in/pmd/scsb-asba.html. For more information on such branches collecting Bid cum Application Forms from the members of the Syndicate at Syndicate ASBA Locations, see the above mentioned SEBI link.

Brokers to the Issue

All brokers registered with SEBI and member of the recognized stock exchange(s) can act as brokers to the Issue.

Statement of Inter Se Allocation of Responsibilities

The following table sets forth the allocation of responsibilities relating to the Issue, between IDBI Capital Market Services Limited and SMC Capitals Limited:

Activities	**Responsibility**	**Co-ordinator**
Capital structuring with relative components and formalities.	IDBI Caps, SMC Caps	IDBI Caps
Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI, including finalisation of Prospectus and RoC filing.	IDBI Caps, SMC Caps	IDBI Caps
Drafting and approval of all statutory advertisements.	IDBI Caps, SMC Caps	SMC Caps
Issue Marketing • Preparation and finalization of the road-show presentation, • Preparation of FAQs for the road-show team, and • Approval of all non-statutory advertisement including corporate advertisements.	IDBI Caps, SMC Caps	IDBI Caps

Activities	Responsibility	Co-ordinator
Appointment of other intermediaries: Printers and Advertisement Agency, Escrow collection banks and Registrar	IDBI Caps, SMC Caps	IDBI Caps
Retail / HNI marketing strategy which will cover, among other things, • Finalizing centers for holding conferences for brokers, etc • Formulating media, marketing and, Public relations strategy; • Follow-up on distribution of publicity and Issue material including Bid cum application forms, Draft Red Herring Prospectus and deciding on the quantum of the Issue material; • Finalizing collection centers.	IDBI Caps, SMC Caps	SMC Caps
Institutional marketing of the Issue, which will cover, among other things, • Finalizing the list and division of investors for one to one meetings; • Finalizing road show schedule and investor meeting schedules.	IDBI Caps, SMC Caps	IDBI Caps
Co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading.	IDBI Caps, SMC Caps	SMC Caps
Managing the book and finalization of pricing in consultation with our Company.	IDBI Caps, SMC Caps	IDBI Caps
The Post bidding activities including management of Escrow Accounts, co-ordination of allocation and intimation of allocation with Registrar and Banks, Refund to Bidders, etc. The post Issue activities of the Issue will involve essential follow up steps, which include finalisation of listing and trading of instruments, despatch of certificates, demat and delivery of shares and refunds, with the various agencies connected with the work such as Registrar to the Issue, Bankers to the Issue and the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Issuer Company.	IDBI Caps, SMC Caps	SMC Caps

Credit Rating

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

IPO Grading

This Issue has been graded by [●], a SEBI registered credit rating agency, as [●] indicating [●] fundamentals. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. A copy of the report provided by [●], furnishing the rationale for its grading will be annexed to the Red Herring Prospectus to be filed with the RoC and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days during the Bid/ Issue Period.

Expert Opinion

Except for the report of [●] in respect of the IPO grading of the Issue (a copy of which will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange and the reports of the Auditors of our Company on the restated financial statements and the "*Statement of Tax Benefits*", included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Trustees

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

Monitoring Agency

As the net proceeds of the Issue will be less than ₹ 50,000 lacs, under the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company.

Project Appraisal

The Project has not been appraised by any independent agency.

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. The Book Running Lead Managers;
3. The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as underwriters;
4. The Registrar to the Issue;
5. The Escrow Collection Banks; and
6. SCSBs.

This Issue is being made through a 100% Book Building Process, wherein atleast 50% of the Issue will be allocated to Qualified Institutional Buyers ("**QIBs**") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of portion available for allocation to the QIBs, 5% of the QIB Portion (excluding Anchor Investor 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 proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price and Bidders may participate in this Issue through the ASBA process by providing the details of the respective bank accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details refer to chapter titled "Issue Procedure" beginning on page 228 of this Draft Red Herring Prospectus.

QIBs and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion (excluding the Anchor Investor Portion) are not allowed to withdraw their Bids after the Bid/Issue Closing Date and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Further, allocation to QIBs (excluding Anchor Investor Portion) will be on a proportionate basis. For further details, refer chapter titled "Issue Procedure" beginning on page 228 of this Draft Red Herring Prospectus.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the Book Running Lead Managers to manage this Issue and procure subscriptions to this Issue.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

1. Check eligibility for making a Bid (For further details, see "***Issue Procedure - Who Can Bid***" beginning on page 231 of this Draft Red Herring Prospectus). Specific attention of ASBA Bidders is invited to chapter titled *"Issue Procedure"* beginning on page 228 of this Draft Red Herring Prospectus.

2. Ensure that you have a PAN and the demat account details including DP ID, Client ID and PAN are correctly mentioned in the Bid cum Application Form. Based on these three

parameters, the Registrar to the Issue will obtain details of the Bidders from the Depositories including Bidder's name, bank account number etc.;

3. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Forms (please refer to the paragraph titled *""PAN" or "GIR" Number*" under the chapter titled *"Issue Procedure"* beginning on page 250 of this Draft Red Herring Prospectus).

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus, the abridged Red Herring Prospectus and in the Bid cum Application Form.

5. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs or to the members of the Syndicate at the Syndicate ASBA Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html).

6. Bids by ASBA Bidders may be submitted in the physical mode to the Syndicate at the Syndicate ASBA Locations and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB to ensure that the Bid cum Application Form is not rejected.

7. Bids by QIBs (except Anchor Investors) and Non Institutional Bidders shall be submitted only through the ASBA process;

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue and excludes bidding by Anchor Investors or bidding under the ASBA process.)

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

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

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

The process of Book building under the SEBI ICDR Regulations is relatively new and is subject to change, from time to time. The ASBA process has been notified *vide* SEBI Circular dated August 28, 2008 and is a new process. Accordingly, investors are advised to make their own judgment about investment through this process of Book Building (including through ASBA process) prior to making a Bid.

Withdrawal of this Issue

In accordance to SEBI ICDR Regulations, our Company in consultation with Book Running Lead Managers, reserve the right not to proceed with the Issue at anytime including after the Bid/Issue Opening Date, without assigning reasons thereof. In the event of withdrawal of this Issue after the Bid/Issue Closing Date, but before allotment, the reasons therefore shall be disclosed in a public notice which shall be published within two days of the Bid/Issue Closing Date in English and Hindi daily national newspapers and one Marathi daily newspaper, each with wide circulation and the Stock Exchanges shall be informed promptly. The Book Running Lead Managers, through the Registrar to the Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the date of receipt of such notification. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges shall also be informed promptly.

Further, in the event our Company, in consultation with the Book Running Lead Managers withdraw the Issue after the Issue Closing Date and subsequently we decided to proceed with the public offering, a fresh offer document will be filed with SEBI/RoC.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion (excluding the Anchor Investor Portion) are not allowed to withdraw their Bids after the Bid/Issue Closing Date and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period.

Bid/Issue Programme

Bidding Period

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

**Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*
***Our Company in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date.*

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs and the bidding centres of the Syndicate Members at the Syndicate ASBA Locations, **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time)** (excluding ASBA Bidders) and uploaded until (i) 4 p.m. in case of Bids by QIB bidders, Non-Institutional Bidders where the Bid Amount is in excess of ₹ 2,00,000 and (ii) until 5 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to ₹ 2,00,000, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders, are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Further, if such Bids are not uploaded, the Issuer, BRLMs, Syndicate Members and the SCSB will not be responsible. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any 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.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application

Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

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

Our Company, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations provided that the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the above-mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working days before the Bid/Issue Opening Date.

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

Underwriting Agreement

After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue, except such Equity Shares as are required to be compulsorily allotted to QIBs under the QIB Portion. It is proposed that pursuant to the terms of the Underwriting Agreement, the Underwriters shall be responsible for bringing in the amount devolved to fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated **[●]**. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Details of the Underwriters	**Indicated Number of Equity Shares to be Underwritten**	**Amount Underwritten *(₹ in lacs)***
[●]	[●]	[●]
[●]	[●]	[●]
Total	**[●]**	**[●]**

The above-mentioned amount is indicative and will be finalised after determination of the Issue Price and finalization of the Basis of Allotment.

Based on a certificate given by the Underwriters we confirm that the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

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

CAPITAL STRUCTURE

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

(Amount in ₹)

Sr. No.	Particulars	Aggregate Value at Nominal Price	Aggregate Value at Issue Price
A.	**Authorised Share Capital**		
	5,00,00,000 Equity Shares of ₹ 10 each	50,00,00,000	
B.	**Issued, Subscribed and Paid-Up Capital before this Issue**		
	2,43,40,500 Equity Shares of ₹ 10 each	24,34,05,000	
C.	**Present Issue to the public in terms of this Draft Red Herring Prospectus***		
	Issue of [●] Equity Shares of ₹ 10 each	[●]	[●]
	Of which:		
	QIB Portion of at least [●] Equity Shares	[●]	[●]
	Of which:		
	Anchor Investor Portion	[●]	[●]
	Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)		
	Of which:		
	Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●]	[●]
	Balance for all QIBs including Mutual Funds	[●]	[●]
	Non- Institutional Portion of not less than [●] Equity Shares	[●]	[●]
	Retail Portion of not less than [●] Equity Shares	[●]	[●]
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue**		
	[●] Equity Shares Equity Shares of ₹ 10 each	[●]	
E.	**Securities Premium Account**		
	Before the Issue	Nil	
	After the Issue	[●]	

** This Issue is being made through a 100% Book Building Process, wherein atleast 50% of the Issue will be allocated to Qualified Institutional Buyers ("**QIBs**") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Provided that our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.*

Notes to Capital Structure:

1. Details of increase in authorised share capital

Date of the Meeting	Particulars of Increase
Upon Incorporation on July 20, 2007	Original authorised share capital of ₹ 1,00,00,000 comprising of 10,00,000 Equity Shares of ₹ 10 each.
March 25, 2008	Increase in authorised share capital from ₹ 1,00,00,000 comprising of 10,00,000 Equity Shares of ₹ 10 each to ₹ 6,00,00,000 comprising of 60,00,000 Equity Shares of ₹ 10 each.
June 27, 2008	Increase in authorised share capital from ₹ 6,00,00,000 comprising of 60,00,000 Equity Shares of ₹ 10 each to ₹ 25,00,00,000 comprising of 2,50,00,000 of ₹ 10 each.
September 30, 2011	Increase in authorised share capital from ₹ 25,00,00,000 comprising of 2,50,00,000 Equity Shares of ₹ 10 each to ₹ 50,00,00,000 comprising of 5,00,00,000 Equity Shares of ₹ 10 each.

This Issue has been authorized by resolution of our Board of Directors dated August 29, 2011, and by a resolution passed by our shareholders pursuant to Section 81(1A) of the Companies Act, at the AGM held on September 30, 2011.

2. Share Capital History of our Company in respect of Equity Shares

Our existing Equity Share capital has been subscribed and allotted as under:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (cash/bonus/other than cash)	Nature of allotment	Cumulative number of Equity Shares	Cumulative Equity Share capital (₹)
September 14, 2007[(1)]	50,000	10	10	Cash	Subscribers to the Memorandum	50,000	5,00,000
December 10, 2007[(2)]	50,000	10	10	Cash	Preferential allotment	1,00,000	1,00,00,000
March 28, 2008[(3)]	15,70,000	10	10	Cash	Preferential allotment	16,70,000	1,67,00,000
September 30, 2008[(4)]	48,16,300	10	10	Cash	Preferential allotment	64,86,300	6,48,63,000
March 10, 2010 [(5)]	37,67,000	10	10	Cash	Preferential allotment	1,02,53,300	10,25,33,000
August 22, 2010 [(6)]	92,17,000	10	10	Cash	Preferential allotment	1,94,70,300	19,47,03,000
August 13, 2011[(7)]	46,30,200	10	10	Cash	Preferential allotment	2,41,00,500	24,10,05,000
October 24, 2011 [(8)]	2,40,000	10	10	Cash	Preferential allotment	2,43,40,500	24,34,05,000

[(1)]Initial allotment of 50,000 Equity Shares at the time of subscription of the Memorandum of Association of our Company to Dr. Vinod Kumar Chaturvedi (24,750 Equity Shares), Mr. Manoj Chaturvedi (24,750 Equity Shares), Mr. Ajay Prakash Arora (100 Equity Shares), Ms. Sangeeta Kumbhar (100 Equity Shares), Mr. Shambhu Singh (100 Equity Shares), Mrs. Samata V Chaturvedi (100 Equity Shares) and Mr. Rajesh Malpani (100 Equity Shares).

[(2).] Preferential allotment of 50,000 Equity Shares to Usher Agro Limited (1,000 Equity Shares) and Transform Engineering Private Limited (49,000 Equity Shares).

[(3)]Preferential allotment of 1,570,000 Equity Shares to Transform Engineering Private Limited (7,69,300 Equity Shares), Mr. Manoj Chaturvedi (3,92,500 Equity Shares) and Usher Agro Limited (4,08,200 Equity Shares)

[(4)] Preferential allotment of 48,16,300 Equity Shares to Usher Agro Limited (8,46,300 Equity Shares), Dr. Vinod Kumar Chaturvedi (9,01,800) Mr. Manoj Chaturvedi (3,07,500 Equity Shares), Transform Engineering Private Limited (2,230,700 Equity Shares), Vedika Finance Private Limited (5,30,000 Equity Shares).

[(5)]Preferential allotment of 37,67,000 Equity Shares to Dr. Vinod Kumar Chaturvedi (5,00,000 Equity Shares) and User Agro Limited.(32,67,000 Equity Shares).

[(6)] Preferential allotment of 92,17,000 Equity Shares to Usher Agro Limited (91,17,000 Equity Shares) and Prabhu Share Trading and Investment Company Limited (1,00,000 Equity Shares).

[(7)] Preferential allotment of 46,30,200 Equity Shares to Usher Agro Limited (32,49,231), Dr. Vinod Kumar Chaturvedi (2,60,969), Mr. Manoj Chaturvedi (1,00,000), Vedika Finance Private Limited (5,10,000), Narayani Nivesh Nigam Private Limited(5,10,000).

[(8)] Preferential allotment of 2,40,000 Equity Shares to Mr. Vijay Ranchan (10,000 Equity Shares), Mr. Ajay Prakash Arora (10,000 Equity Shares) Mr. S.P. Arora (10,000 Equity Shares), Major General Vinod Kumar Khanna (10,000 Equity Shares), Mr. Dinesh Gupta (70,000 Equity Shares), Mrs. Anita Gupta (30,000 Equity Shares), Mr. Satish Kusumbiwal (70,000 Equity Shares), Mrs. Madhu Kusumbiwal (30,000 Equity Shares).

1. As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves.

2. As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

3. We have not allotted any Equity Shares in terms of any scheme approved under Sections 391-394 of the Companies Act.

4. Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

5. Issue of Equity Shares one year preceding this Draft Red Herring Prospectus:

Our Company has issued Equity Shares to the following persons in the year preceding the date of this Draft Red Herring Prospectus, which may be at a price lower than the Issue price:

Sr. No.	Name of the Shareholder	Date of Issue	Whether Belongs to Promoter Group	Number of Equity Shares (Face value of ₹ 10 each)	Issue Price (₹)	Reasons for Issue
1	Usher Agro Limited	August 13, 2011	Yes	32,49,231	10	Preferential Allotment
2.	Dr. Vinod Kumar Chaturvedi	August 13, 2011	Yes	2,60,969	10	Preferential Allotment
3.	Mr. Manoj Chaturvedi	August 13, 2011	Yes	1,00,000	10	Preferential Allotment
4.	Vedika Finance Private Limited	August 13, 2011	Yes	5,10,000	10	Preferential Allotment
5	Narayani Nivesh Nigam Private Limited	August 13, 2011	Yes	5,10,000	10	Preferential Allotment
6.	Mr. Vijay Ranchan	October 24, 2011	Independent Director	10,000	10	Preferential Allotment
7.	Major General Vinod Kumar Khanna	October 24, 2011	Independent Director	10,000	10	Preferential Allotment
8.	Mr. Ajay Prakash Arora	October 24, 2011	Independent Director	10,000	10	Preferential Allotment
9.	Mr. S.P. Arora	October 24, 2011	No	10,000	10	Preferential Allotment
10.	Mr. Dinesh Gupta	October 24, 2011	No	70,000	10	Preferential Allotment
11.	Mrs. Anita Gupta	October 24, 2011	No	30,000	10	Preferential Allotment
12.	Mr. Satish Kusumbiwal	October 24, 2011	No	70,000	10	Preferential Allotment
13.	Mrs. Madhu Kusumbiwal	October 24, 2011	No	30,000	10	Preferential Allotment

3. Promoters' Contribution and Lock-in details:

(a) Details of the build up of Promoters' shareholding in our Company:

Date of allotment/transfer	No. of Equity Shares	Face value of Equity Share ₹)	Issue/Acquisition price per Equity Share (₹)	Nature of consideration (cash, bonus, other than cash)	Nature of transaction (allotment/gift/transfer)
BUILD-UP OF PROMOTERS					
Dr. Vinod Kumar Chaturvedi					
September 14, 2007	24,750	10	10	Cash	Initial subscription
October 22, 2007	(12,500)	10	10	Cash	Transferred to Usher Agro Limited
September 30, 2008	9,01,800	10	10	Cash	Preferential Allotment
January 28, 2010	9,90,300	10	20.20	Cash	Transfer from Transform Engineering Private Limited
March 10, 2010	5,00,000	10	10	Cash	Preferential Allotment
December 21, 2010	(51,000)	10	10	Cash	Transferred to Ms. Nidhi Kansal
May 4, 2011	(51,000)	10	10	Cash	Transferred to Ms. Nidhi Kansal
August 13, 2011	2,60,969	10	10	Cash	Preferential Allotment
January 17, 2012	51,000	10	10	Cash	Transferred from Ms. Nidhi Kansal
Sub Total (A)	**26,14, 319**				
Mr. Manoj Chaturvedi					
September 14, 2007	24,750	10	10	Cash	Initial subscription
October 22, 2007	(12,500)	10	10	Cash	Transferred to Usher Agro Limited
March 28, 2008	3,92,500	10	10	Cash	Preferential Allotment
September 30, 2008	3,07,500	10	10	Cash	Preferential Allotment

Date of allotment/transfer	No. of Equity Shares	Face value of Equity Share ₹)	Issue/Acquisition price per Equity Share (₹)	Nature of consideration (cash, bonus, other than cash)	Nature of transaction (allotment/gift/transfer)
August 13, 2011	1,00,000	10	10	Cash	Preferential Allotment
Sub Total (B)	**8,12,250**				
Usher Agro Limited					
October 22, 2007	12,500	10	10	Cash	Transfer from Dr. Vinod Kumar Chaturvedi
October 22, 2007	12,500	10	10	Cash	Transfer from Mr. Manoj Chaturvedi
December 10, 2007	1,000	10	10	Cash	Preferential allotment
March 28, 2008	4,08,200	10	10	Cash	Preferential Allotment
September 30, 2008	8,46,300	10	10	Cash	Preferential Allotment
March 10, 2010	32,67,000	10	10	Cash	Preferential Allotment
August 22, 2010	91,17,000	10	10	Cash	Preferential Allotment
August 13, 2011	32,49,231	10	10	Cash	Preferential Allotment
Sub Total (C)	**1,69,13,731**				
Total Shareholding of Promoters (A+B+C+)	**2,03,40,300**				
BUILD-UP OF PROMOTER GROUP					
Mrs. Samata Chaturvedi					
September 14, 2007	100	10	10	Cash	Initial subscription
Sub Total (D)	**100**				
Vedika Finance Private Limited					
September 30, 2008	5,30,000	10	10	Cash	Preferential Allotment
January 28, 2010	8,18,300	10	20.22	Cash	Transfer from Transform Engineering Private Limited
January 28, 2010	2,700	10	20.22	Cash	Transfer from Transform Engineering Private Limited
August 13, 2011	5,10,000	10	10	Cash	Preferential Allotment
Sub total (E)	**18,61,000**				
Narayani Nivesh Nigam Private Limited					
January 28, 2010	12,37,700	10	20.20	Cash	Transfer from Transform Engineering Private Limited
August 13, 2011	5,10,000	10	10	Cash	Preferential Allotment
Sub Total (F)	**17,47,700**				
Total of Promoter Group Shareholding (D+E+F)	**36,08,800**				

(b). Details of the shareholding of our Promoters and our Promoter Group as on the date of this Draft Red Herring Prospectus:

	Pre-Issue		**Post-Issue**	
	No. of Equity Shares*	**%**	**No. of Equity Shares**	**%**
A. Promoters				
Dr. Vinod Kumar Chaturvedi	26,14, 319	10.74	[●]	[●]
Mr. Manoj Chaturvedi	8,12,250	3.34	[●]	[●]
Usher Agro Limited	1,69,13,731	69.49	[●]	[●]
Sub-Total (A)	**2,03,40,300**	83.57	[●]	[●]
B. Promoter Group				
Mrs. Samata Chaturvedi	100	-	[●]	[●]
Vedika Finance Private Limited	18,61,000	7.65	[●]	[●]
Narayani Nivesh Nigam Private Limited	17,47,700	7.18	[●]	[●]
Sub-Total (B)	**36,08,800**	**14.83**	[●]	[●]
Promoter and Promoter Group Sub Total (A+B)	**2,39,49,100**	**98.40**	[●]	[●]
Others (C)	**3,91,400**	**1.6**	[●]	[●]
Total (A+B+C)	**2,43,40,500**	**100.00**	[●]	[●]

(c). Details of Promoters' contribution locked in for three years

Pursuant to the Regulation 32(1)(a) and 36 (a) of ICDR Regulations, an aggregate of 20% of the post-Issue shareholding shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Issue, whichever is later.

The details of such lock-in are given below:

Name of the Promoter	Date of allotment/transfer	Face value of Equity Share (₹)	Issue/Acquisition price per Equity Share (₹)	Nature of consideration (cash, bonus, other than cash)	Nature of transaction (allotment/gift/transfer)	No. of Equity Shares locked in	Percentage of pre-Issue Capital (in %)	Percentage of post-Issue Capital (in %)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

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

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves, or unrealised profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) The Equity Shares offered for minimum 20% Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) The Equity Shares offered for minimum 20% Promoters' contribution were not issued to our Promoters upon conversion of a partnership firm;

(iv) The Equity Shares offered for minimum 20% Promoters, contribution are not subject to any pledge; and

(v) The Equity Shares offered for minimum 20% Promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from our Promoters for inclusion of their subscription in the minimum Promoters, contribution subject to lock-in.

(d). Details of share capital locked in for one year

In addition to the lock-in of the Promoters' Contribution, the entire pre-Issue Equity Share capital of our Company, shall be locked in for a period of one year from the date of Allotment as per Regulation 36 (b) and 37 of the SEBI ICDR Regulations. The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI ICDR Regulations, as amended from time to time.

(e). Other requirements in respect of lock-in

The locked in Equity Shares held by our Promoters, as specified above, may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Provided that if any Equity Shares are locked in as minimum Promoters' contribution, under Regulation 39(a) of the SEBI ICDR Regulations, the same may be pledged, only if, in addition to fulfilling the above requirement, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters may be transferred *inter se* or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

The Equity Shares held by persons other than Promoters' prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Further our Promoters have given an undertaking dated February 2, 2012 stating that the Promoters' contribution subject to lock in shall not be disposed/sold/transferred by our Promoters during the period starting from the date of filing of this Draft Red Herring Prospectus with SEBI till the date of commencement of lock-in period as stated in this Draft Red Herring Prospectus.

f. Lock-in of Equity Shares to be Allotted, if any, to the Anchor Investor

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

4. Shareholding Pattern of our Company

Details of shareholding of our Company as on the date of filing of this Draft Red Herring Prospectus:

Category code	Category of Shareholder	Number of Shareholders	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a percentage of total number of Equity Shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of Equity Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group[2]							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	3	34,26,669	25,65,600	14.08	14.08	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	3	2,05,22,431	38,69,200	84.31	84.31	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Others (Specify)	0	0	0	0	0	0	0
	Sub Total(A)(1)	**6**	**2,39,49,100**	**64,34,800**	**98.39**	**98.39**	**0**	**0.00**
2	Foreign	0	0	0	0	0	0	0
a	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0	0	0	0
b	Bodies Corporate	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0
d	Any Others(Specify)	0	0	0	0	0	0	0
	Sub Total(A)(2)	0	0	0	0	0	0	0

Category code	Category of Shareholder	Number of Shareholders	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a percentage of total number of Equity Shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of Equity Shares	As a percentage
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**6**	**2,39,49,100**	**64,34,800**	**98.39**	**98.39**	**0**	**0.00**
(B)	Public shareholding[3]						NA	NA
1	Institutions						NA	NA
(a)	Mutual Funds/ UTI	0	0	0	0.000	0.000		
(b)	Financial Institutions / Banks	0	0	0	0.000	0.000		
(c)	Central Government/ State Government(s)	0	0	0	0	0		
(d)	Venture Capital Funds	0	0	0	0	0		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00		
(g)	Foreign Venture Capital Investors							
(h)	Any Other (specify)							
	Sub-Total (B)(1)	**0**	**0**	**0**	**0.00**	**0.00**		
B 2	Non-institutions						NA	NA
(a)	Bodies Corporate	1	1,00,000	0	0.41	0.41		
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 1 lac	6	30,300	30,000	0.12	0.12		
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac.	6	2,61,100	2,51,000	1.07	1.07		
(c)	Any Other (specify) NR	0	0	0	0.00	0.00		
(c-i)	NSDL (Transit)	0	0	0	0.00	0.00		
(c-ii)	Trusts	0	0	0	0.00	0.0		
(c-iii)	Overseas Bodies	0	0	0	0.00	0.00		

Category code	Category of Shareholder	Number of Shareholders	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a percentage of total number of Equity Shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of Equity Shares	As a percentage
	Corporates							
(c-iv)	Societies	0	0	0	0.00	0.00		
(c-v)	KARTA / HUF	0	0	0	0.00	0.00		
(c-vi)	NRI	0	0	0	0.00	0.00		
	Sub-Total (B)(2)	**13**	**3,91,400**	**2,81,000**	**1.61**	**1.61**		
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**13**	**3,91,400**	**2,81,000**	**1.61**	**1.61**	NA	NA
	TOTAL (A)+(B)	**19**	**2,43,40,500**	**67,15,800**	**100.00**	**100.00**	**0**	**0.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued				NA		NA	NA
	GRAND TOTAL (A)+(B)+(C)	**19**	**2,43,40,500**	**67,15,800**	**100.00**	**100.00**	**0**	**0.00**

As on date of this Draft Red Herring Prospectus, 67,15,800 Equity Shares are in dematerialised form and 1,76,24,700 Equity Shares are in physical form.

5. The list of shareholders of our Company and the number of Equity Shares held by them is as under:

a. Our top 10 shareholders as on the date of this Draft Red Herring prospectus.

Sr. No.	Name of the Shareholder	No. of Shares of face value ₹ 10	% of issued capital
1.	Usher Agro Limited	1,69,13,731	69.48
2.	Dr. Vinod Kumar Chaturvedi	26,14,319	10.74
3.	Vedika Finance Private Limited	18,61,000	7.64
4.	Narayani Nivesh Nigam Private Limited	17,47,700	7.18
5.	Mr. Manoj Chaturvedi	8,12,250	3.33
6.	Prabhu Share Trading and Investment Company Private Limited	1,00,000	0.41
7.	Mr. Dinesh Gupta	70,000	0.28
8.	Mr. Satish Kusumbiwal	70,000	0.28
9.	Ms. Nidhi Kansal	51,000	0.20
10.	Mrs. Anita Gupta	30,000	0.12
11.	Mrs. Madhu Kusumbiwal	30,000	0.12
	Total	**2,43,00,000**	**99.83**

b. Our top 10 shareholders 10 days prior to the date of filing this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Shares of face value ₹ 10	% of issued capital
1.	Usher Agro Limited	1,69,13,731	69.48
2.	Dr. Vinod Kumar Chaturvedi	26,14,319	10.74
3.	Vedika Finance Private Limited	18,61,000	7.64
4.	Narayani Nivesh Nigam Private Limited	17,47,700	7.18
5.	Mr. Manoj Chaturvedi	8,12,250	3.33
6.	Prabhu Share Trading and Investment Company Private Limited	1,00,000	0.41

Sr. No.	Name of the Shareholder	No. of Shares of face value ₹ 10	% of issued capital
7.	Mr. Dinesh Gupta	70,000	0.28
8.	Mr. Satish Kusumbiwal	70,000	0.28
9.	Ms. Nidhi Kansal	51,000	0.20
10.	Mrs. Anita Gupta	30,000	0.12
11.	Mrs. Madhu Kusumbiwal	30,000	0.12
	Total	**2,43,00,000**	**99.83**

c. Our top 10 shareholders two years prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares of face value ₹ 10	% of issued capital
1.	Transform Engineering Private Limited	30,49,000	47.00
2.	Usher Agro Limited	12,80,500	19.74
3.	Dr. Vinod Kumar Chaturvedi	9,14,050	14.09
4.	Mr. Manoj Chaturvedi	7,12,250	10.98
5.	Vedika Finance Private Limited	5,30,000	8.17
6	Mr. Ajay Prakash Arora	100	Negligible
7.	Mrs. Samata Chaturvedi	100	Negligible
8.	Mr. Shambhu Singh	100	Negligible
9.	Ms. Sangeeta Khumbar	100	Negligible
10.	Mr. Rajesh Malpani	100	Negligible
	Total	**64,86,300**	**100.00**

6. The shareholding of the directors of our Corporate Promoter, UAL in our Company is as below:

Sr. No.	Name of the Director	No of Equity Shares held	Percentage (%) of holding in our Company
1.	Dr. Vinod Kumar Chaturvedi	26,14, 319	10.74
2.	Mr. Manoj Chaturvedi	8,12,250	3.34
3.	Mr. Vijay Ranchan	10,000	0.04
4.	Mr. Ajay Prakash Arora	10,100	0.04
5.	Dr. Shri Prakash Arora	10,000	0.04
6.	Mr. N. Krishnan	NIL	0.00
	Total	**34,56,669**	**14.20**

7. Except as mentioned below, there has been no purchase or sale of Equity Shares by our Promoter Group and/or by the directors of the company which is a promoter of the Issuer and/or by the directors of the Issuer and their immediate relatives (as defined under sub-clause (ii) of clause (zb) of sub-regulation 10 of Regulation (2) of SEBI ICDR Regulations) within six months immediately preceding the date of this Draft Red Herring Prospectus.

Name of the Promoter/Promoter Group	Date of transfer	Number of Equity Shares	Face value of Equity Share (₹)	Issue/Acquisition price per Equity Share (₹)	Nature of consideration (cash, bonus, other than cash)	Nature of transaction (gift/transfer)
Dr. Vinod Kumar Chaturvedi	January 17, 2012	51,000	10	10	Cash	Transferred from Ms. Nidhi Kansal

8. There has been no financing arrangement whereby our Company, Promoter Group, Promoters, Directors and their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus with SEBI.

9. Our Company, our Promoters, Promoter Group, our Directors and the BRLMs to this Issue have not entered into any buy-back arrangements or any other arrangements for purchase of Equity Shares issued by our Company through this Draft Red Herring Prospectus. Further our Company has not entered into any safety net arrangement.

10. An over-subscription to the extent of 10% of the Issue to the public can be retained for the purpose of rounding off to the nearest multiple of minimum bid lot while finalizing the Basis of Allotment. In the event that the aggregate demand in the QIB Portion has been met, any under-subscription would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. In such an event the Equity Shares held by our Promoter(s) and subject to lock-in shall be suitably increased so as to ensure that 20% of the post issue paid up capital shall be locked in.

11. All the existing Equity Shares of our Company are fully paid-up. Further, all the Allottees will be issued fully paid-up Equity Shares under this Issue.

12. Our Company presently does not intend 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) on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement or otherwise, or if we enter into acquisitions, joint ventures or other arrangements, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

13. As on date of this Draft Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up.

14. Our Company undertakes that at any given time, there shall be only one denomination for the Equity Shares of our Company and our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.

15. As on the date of this Draft Red Herring Prospectus, our Company has 19 shareholders.

16. None of the Equity Shares held by our Promoters have been pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, or creditor/lender.

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

18. As regards the Issue, we have obtained consent from our lender, Axis Bank Limited *vide* letter dated December 15, 2011.

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

20. There would 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 submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.

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

22. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by our Company, our Promoters, Promoter Group or our Directors to the persons who receive allotments, if any, in this issue.

23. The BRLMs and their associates does not hold any Equity Shares of our Company.

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

25. We shall ensure that any transactions by our Promoters and the members of our Promoter Group, if any, between the date of registering the Red Herring Prospectus and the Bid/Issue Opening within 24 hours of such transaction being completed.

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

OBJECTS OF THE ISSUE

The objects of the Issue are:

- To set up a 18 MW Rice Husk based Biomass Co-generation power plant; and
- General corporate purposes.

In addition, our Company wants to realize the benefits of listing its Equity Shares on the Stock Exchanges.

The main objects of our Memorandum of Association permit us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue.

Requirement of Funds

Our Company has appointed MITCON Consultancy and Engineering Services Limited as the consultant for the development and setting up of our proposed Project. MITCON has prepared and issued a Detailed Project Report dated January 17, 2012 ("**DPR**") outlining the technical and financial details of the proposed Project. Based on the DPR, the total fund requirement for the proposed Project is ₹ 9,700 lacs**.**

Particulars	Amount (₹ in lacs)
Gross proceeds to be raised through the Issue ("**Gross Proceeds**")	8,500
Issue related expenses of our Company	[●]*
Net proceeds of the Issue after deducting the Issue related expenses of our Company ("**Net Proceeds**")	[●]

**Will be filled at the time of filing the Prospectus*

Our Company intends to utilize the Net Proceeds for financing the objects of the Issue.

Utilization of Gross Proceeds

The details of utilization of Gross Proceeds of the Issue will be in accordance with the table set forth below:

Sr. No	Particulars	Amount (₹ in lacs)
1.	Setting up of a 18 MW Rice Husk based Biomass Co-generation power plant	6,700
2.	General Corporate Purpose	**[●]**
3.	Issue Related Expenses	**[●]**
	Total	**8,500**

Our funding requirements and deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular Object vis-à-vis the utilization of Net Proceeds. We may also reallocate expenditure to the other activities. In certain cases, the delays may be caused due to external factors such as change in prevailing economic conditions, which consequently, may change our fund requirements. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects of the Issue, at the discretion of our Company.

Means of finance

Based on the DPR, the total fund requirement for the proposed Project is ₹ 9,700 lacs**.** The following table details the total cost of the Project and the amount proposed to be financed through the Gross Proceeds of the Issue:

Sr. No	Particulars	Amount (₹ in lacs)
1.	Total Cost of the Project	9,700
2.	Term Loan from Bank*	3,000
3.	Funded through the Net Proceeds of the Issue	6,700

**For details relating to the terms of this sanction, please refer to the chapter titled Financial Indebtedness beginning on page 192 of this Draft Red Herring Prospectus.*

The shortfall in Net Proceeds, if any, shall be met through internal accruals, borrowings and / or further issue of capital. Further, in the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the next fiscal. Our Company has made firm arrangements for financing at least 75% of the stated means of finance excluding the amount proposed to be raised through the Issue.

Details of objects of the Issue

Setting up of the 18 MW Rice Husk based Biomass Co-generation power plant

Particulars	Amount *(₹in lacs)*
Land	773
Site Development	45
Civil works & Buildings	1,132
Plant and Machinery	6,424
Other interface equipment and Fixed Assets	369
Preliminary and Pre-Operative Expenses	545
Contingencies	255
Margin money for working capital	156
Total	**9,700**

i) Land

The proposed Project shall be set up on the existing land owned by our Company. However, we will be acquiring additional land for biomass storage, extension of switch yard, essential quarters etc. We will fund this acquisition from the Net Proceeds and the cost of acquiring this land is estimated at ₹ 773 lacs. For details relating to the land owned by our Company, please refer to chapter titled "*Our Business*" beginning on page 92 of this Draft Red Herring Prospectus.

ii) Site Development

According to the DPR prepared by MITCON, site development for the proposed Project will include levelling, fencing, gating, internal roads and storm drains. This would entail the following expenditure:

Site Development	Amount (₹ in lacs)
Levelling	10
Fencing	15
Gates	5
Internal roads & storm drains	15
Total	**45**

iii) Civil Works and Buildings

Based on the DPR prepared by MITCON, the civil works required for setting up the plant will include foundations for boiler, other auxiliary equipment and miscellaneous civil works in the boiler area, TG building including TG deck foundation, transformer & switch yard foundations, DM plant & lab building foundations and civil works for ACC, fuel & ash storage and handling, pipes and cable ducts, RCC chimney and miscellaneous civil works, etc. Based on the DPR prepared by MITCON, the estimated costs would be as indicated in the following table:

Particulars	Total Amount (₹ in lacs)
Co-generation plant administration office & essential staff quarters	40
Foundation for boiler, other auxiliary equipment & miscellaneous civil work in boiler area	240
TG building, including foundations	440
Transformers & Switchyard	30
Water supply system, civil works including reservoir	40
DM plant and Lab building, foundations and miscellaneous civil works	40
Ash storage and handling	20

Particulars	Total Amount (₹ in lacs)
Pipes & cable ducts, civil works	40
Fuel storage and handling, civil works	50
RCC Chimney	90
Shed for rice husk storage	40
Miscellaneous Civil works	40
RCC Consultant's fees (2%)	22
Total	**1,132**

iv) Plant and Machinery

The cost of plant and equipment for the proposed Project, according to the DPR prepared by MITCON, is estimated to be ₹ 6,424 lacs. The plant will have 1 turbine generator of 18 MW capacity. Majority of the equipment and systems required will be sourced indigenously. The main items of equipment for the biomass power plant and their estimated erected costs are as follows:

Description of equipment	Invoice Price (₹ in lacs)	Taxes & Duties (14%)	Total (₹ in lacs)
HP Boilers (80 TPH x 88 kg/cm2, 515 Deg.C) & auxiliaries, viz. ESP, fans, pumps, deaerater, HP heater etc., incl. E&C	2,400	336	2736
Steam Turbine and auxiliaries (1 x 18 MW capacity double extraction cum condensing type, 85 kg/cm² pressure, 515 Deg.C.)	1,300	182	1482
Piping, valves, fittings, PRD, etc	60	8	68
Electrical Evacuation system	550	77	627
Additional bay at 132kV substation	90	13	103
DCS, control cabling	120	17	137
ACC, circulation pumps, piping	450	63	513
Fuel handling system	430	60	490
Ash handling system & silo	55	8	63
DM water plant, tank & pumps, Dearator tank, Caustic storage tank, unloading / metering pumps, HCL Tank, etc.	180	25	205
Total	**5,635**	**789**	**6,424**

v) Other interface equipment and fixed assets

Other interface equipment and fixed assets for the biomass project, as per the DPR, have been estimated at ₹ 369 lacs and are indicated in the following table:

Particulars	Total Estimated Amount (₹ in lacs)
Spares & Miscellaneous Tools & Tackles	25
Chemical lab equipment including On line water analysers, control valves etc.	20
Fire fighting equipments (Fire Hydrant)	50
Vehicles, office equipments and misc.	20
Air conditioning & ventilation system	20
Monorail hoist & EOT	50
DG set & fuel oil tank	110
Storage tanks, piping, etc.	20
Tractors for rice husk (4)	36
Borewells (3)	18
Total	**369**

vi) Preliminary and Pre-operative expenses

Preliminary and Pre-operative expenses have been estimated by MITCON in the DPR as under:

Particulars	Amount (₹ in lacs)

a. Preliminary expenses:	
Preparation of DPR	4
Legal fees and other expenses	5
Total preliminary expenses	**9**
b. Pre-operative expenses:	
Establishment charges	5
Travelling Expenses	10
Start up expenses including wages & salaries	15
Project Management Expenses	15
Project Insurance during construction	32
Interest on Loans during construction	328
Mortgage expenses, bankers charges, stamp duty, etc.	32
Detailed Engineering services	64
Upfront fees	35
Total pre-operative expenses	**536**
Total (a+b)	**545**

vii) Contingencies

Based on the DPR prepared by MITCON, the contingencies have been worked out for the non-firm items of land, site development, civil structures, plant & machinery and miscellaneous fixed assets. They cumulate to ₹ 255 lacs.

viii) Margin money for working capital requirements

Based on DPR, margin money for working capital requirements works out to ₹ 156 lacs.

Working Capital Requirements ***(₹ in lacs)***

Particulars	Stocking Level (Days)	1st operating year
No. of Working Days in Year		330
Biomass	45	165
Salaries, Wages, consumables, water & Overheads	30	23
Debtors	30	437
Total Current Assets		626
Less: Creditors	45	0
Net Working Capital		626
Stipulated Margin money		156
Maximum permissible Bank Borrowings		469

(ix) **General Corporate Purposes**

The Net Proceeds will be first utilized towards the objects of the Issue mentioned above. The balance is proposed to be utilized for general corporate purposes and any other purposes that our Company may deem appropriate, subject to compliance with the necessary statutory provisions. Our management, in accordance with the policies of the Board of Directors, will have flexibility in utilizing any surplus amounts.

Issue Expenses

The Issue related expenses include, among others, issue management fees, selling and underwriting commissions, printing and distribution expenses, legal fees, advertisement and marketing expenses, SEBI filing fees, bidding software expenses, IPO grading expenses, Registrar's fees, depository fees and listing fees. The details of the estimated Issue related expenses are as follows:

Particulars	Estimated Amount*	% of the Total Estimated Issue Expenses	% of total Issue Size
Lead Management, Marketing and Selling Commissions	[●]	[●]	[●]
Underwriting commission, brokerage and selling Commission*	[●]	[●]	[●]
Registrar to the Issue's fees	[●]	[●]	[●]
IPO Grading Expenses	[●]	[●]	[●]
Advertisement and Marketing Expenses	[●]	[●]	[●]
Printing and Stationery, Distribution, Postage, etc.	[●]	[●]	[●]

Particulars	Estimated Amount*	% of the Total Estimated Issue Expenses	% of total Issue Size
Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, legal fees etc.)	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

**Will be incorporated at the time of filing of the Prospectus.*

Schedule of Implementation

The proposed implementation schedule for the project is as under:

Particulars	Month/Year of Commencement	Completion
Acquisition of Land	January 2012	June 2012
Development of Land	June 2012	July 2012
Civil Work	July 2012	February 2013
Plant and Machinery		
• Placement of Order	April 2012	January 2013
• Erection of Equipment	December 2012	June 2013
Commissioning & Testing		August 2013
Commercial Production		September 2013

Funds Deployed

We have incurred the following expenditure on the project till December 31, 2011. The same has been certified by our statutory auditors M/s. Haribhakti & Co., Chartered Accountants *vide* their certificate dated January 21, 2012.

Particulars	Amount (₹ in lacs)
Land	Nil
Computers	Nil
Capital Work in progress	Nil
Capital Advance	Nil
Pre-Operative Expenses	3.31
Total	**3.31**

Sources of Funds Deployed

Particulars	Amount (₹ in lacs)
Equity Contribution	3.31
Total	**3.31**

Proposed deployment of funds

The year-wise break-up of proposed deployment of funds is as given below:

(₹ in lacs)

Sr. No	Particulars	Already incurred till December 31, 2011	FY 2012	FY 2013	FY 2014	Total
1.	Land	-	-	773.00	-	773.00
2.	Site Development	-	-	45.00	-	45.00
3.	Civil works & buildings	-	-	1,000.00	132.00	1132.00
4.	Indigenous Plant and Machinery for modernization	-	-	5,900.00	524.00	6424.00
5.	Other interface equipment and Fixed Assets	-	-	169.00	200.00	369.00
6.	Preliminary and Pre-Operative Expenses	3.31	119.69	257.00	165.00	545.00
7.	Contingencies	-	-	-	256.00	256.00

Sr. No	Particulars	Already incurred till December 31, 2011	FY 2012	FY 2013	FY 2014	Total
8.	Margin money for working capital	-	-	-	156.00	156.00
	Total	**3.31**	**119.69**	**8144.00**	**1433.00**	**9700.00**

Interim Use of Funds

Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Net Proceeds in high quality, interest bearing liquid instruments including investment in money market mutual funds, deposits with banks and other interest bearing securities for the necessary duration. Such investments will be approved by our Board of Directors or a committee thereof from time to time, in accordance with our investment policies. Our Company confirms that pending utilization of the Net Proceeds, it shall not use the funds for any investment in equity or equity linked securities.

Appraisal

The Project has not been appraised by any independent agency.

Bridge Financing Facilities

We have currently not raised any bridge loans against the Net Proceeds of the Issue.

Monitoring of Utilisation of funds

The appointment of monitoring agency is not required in accordance with Regulation 16(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. We have therefore not appointed any Monitoring Agency for the purpose of monitoring the utilization of Issue proceeds. We will disclose the utilization of the proceeds under a separate head in our Company's balance sheet for the financial year 2012 and 2013, clearly specifying the purpose for which such proceeds have been utilized. We will, in our balance sheet for the Financial Years 2012 and 2013, 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.

Pursuant to Clause 49 of the Listing Agreement, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Clause 43A of the Listing Agreement, our Company shall furnish to the stock exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above.

This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Other confirmations

No part of the Net Proceeds of the Issue will be paid as consideration to Promoter, Directors, Promoter Group and key managerial personnel.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 and the Issue Price is ₹ [●] times the face value at the lower end of the Price Band and ₹ [●] times the face value at the higher end of the Price Band.

Investors should read the following summary along with the section titled "*Risk Factors*" and the chapters titled *"Our Business"* and *"Financial Statements"* beginning on page 12, 92 and 155 of this Draft Red Herring Prospectus, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:
- Strategic location of plants and proximity to raw materials
- Rice husk as the choice of fuel
- Future earnings from recognition of carbon credits
- Use of emergent technology

Quantitative Factors

1. Basic & Diluted Earnings Per Share (EPS):

Period	Standalone (Basic) (₹ per Equity Share)	Standalone (Diluted) (₹ per Equity Share)	Weights
FY 2011	(0.11)	(.09)	3
FY 2010	(0.10)	(.09)	2
FY 2009	(0.91)	(.59)	1
Weighted Average	**(0.24)**	**(.17)**	

The standalone Basic & Diluted EPS for the six months' period ended September 30, 2011 is ₹ (0.03) per share (not annualised)
Note: 1) The basic and diluted EPS have been calculated in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.
2) The face value of each Equity Share is ₹ 10 each

2. Price / Earnings Ratio (P/E) in relation to the Issue Price of ₹ [●]:

Particulars	At the Lower Band of ₹ [●] per Equity Share	At the Upper Band of ₹ [●] per Equity Share
Based on the Basic & Diluted EPS for the six months' period ended September 30, 2011	[●]	[●]
Based on the weighted average of Basic & Diluted EPS for the six months' period ended September 30, 2011	[●]	[●]

Industry P/E –Power Generation

Particulars	Industry P/E
Highest (Orient Green Power Company Limited)	126.32
Lowest (Tata Power Company Limited)	2.69
Average	37.99

Source: *P/E is based on the closing price as on February 1, 2012 on BSE Limited.*

3. Return on net worth

Year	Standalone (%)	Weights
FY 2011	(0.97)	3
FY 2010	(0.68)	2
FY 2009	(6.10)	1
Weighted Average	**(1.73)**	

Note: *The return on net worth is arrived at by dividing restated net profit/(loss) after tax by restated net worth as at the end of the year/ period.*

4. Minimum Return on total net worth after Issue needed to maintain pre-Issue EPS

Particulars	At the Lower Band of ₹ [●] per Equity Share	At the Upper Band of ₹ [●] per Equity Share
Minimum required RoNW for maintaining EPS	[●]	[●]

5. Net Asset Value Per Share (NAV)

Particulars	NAV
As at September 31, 2011	9.71
As at March 31, 2011	9.67
After Issue	[●]
Before Issue	[●]

Note:

1) *Net Asset Value per Equity Share represents net worth at the end of the year/ period, as restated divided by the number of Equity Shares outstanding at the end of the period/ year.*
2) *Post issue Net Assets Value per Equity Share will be calculated when issue price per share is determined.*

6. Comparison with Industry Peers

Name of the company	Face Value (₹)	EPS (₹)	P/E	Book value (₹)	RoNW
Usher Eco Power Limited#	10	(0.11)	-	9.67	(0.97)%
Peer Group* - Power Generation					
Torrent Power Limited	10	22.56	9.36	101.3	22.26%
Reliance Infrastructure Limited	10	40.41	13.59	642.5	6.29%
Tata Power Company Limited	1	40.87	2.69	448.4	9.11%
Orient Green Power Company Limited	10	0.11	126.32	24.3	0.46%

#For consistency with peers the financials have been taken as on March 31, 2011 – Based on Restated Financial Statements

**For Peer Group: The EPS, RoNW and NAV figures are based on the latest audited standalone results and annual report filed with the BSE Limited for FY 2011 and P/E is based on the closing price as on February 1, 2012 on BSE Limited.*

Though a part of the business is similar to ours, the size of the peer group mentioned above is not comparable in absolute terms.

The face value of the Equity Shares is ₹ 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares through the Book Building Process. The BRLMs believe that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters.

STATEMENT OF TAX BENEFITS

To

The Board of Directors
Usher Eco Power Limited
424, Laxmi Plaza, Laxmi Industrial Estate
New Link road, Andheri (west),
Mumbai – 400053
India

Statement of Possible Tax Benefits available to Usher Eco Power Ltd. and its Shareholders

Dear Sirs,

We hereby report that the enclosed annexure states the tax benefits available to Usher Eco Power Limited (herein after referred as "Company") and its shareholders under the provisions of the Income Tax Act, 1961 (provisions of Finance Act, 2011), and other direct and indirect tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependant 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 statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:
(i) the Company or its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits have been / or would be met with.

The contents of this Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and interpretations of the current relevant laws. We do not assume responsibility towards or accept liability to any other person for the contents of this Statement.

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

For **Haribhakti & Co.**
Chartered Accountants,
Firm Registration No. 103523W

(Nimesh Jambusaria)
Partner
Membership No.: 038979

Place: Mumbai
Date: January 21, 2012

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO USHER ECO POWER LIMITED AND TO ITS SHAREHOLDERS

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the tax laws presently in force in India. It

is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

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

I. Benefits available to the Company

1. As per the provisions of Section 32 of the Act, the company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

   In accordance with and subject to the conditions specified in Section 32(1)(iia) of the Act, the company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

   Since the company proposes to be engaged in the business of generation of power, by virtue of clause (*i*) of sub-section (1) of section 32 of the Act, the Company has an option to claim depreciation on straight line method on actual cost of the assets instead of written down value method on written down value of block of assets, in respect of the assets acquired on or after 1st April 1997. It may be mentioned here that once the option is exercised, it will apply for all subsequent assessment years.

   Unabsorbed depreciation if any, for an Assessment Year can be carried forward & set off against any source of income in subsequent Assessment Years as per section 32 subject to the provisions of sub-section (2) of section 72 and sub-section (3) of section 73 of the Act.

2. The Company proposes to be engaged in generation of power and therefore it is eligible for 100% deduction of profits and gains from the business of generation of power, under section 80-IA (iv) of Act, for a period of 10 consecutive years in a block of 15 years starting from the year in which the company starts generating power, subject to compliance with conditions specified in Section 80-IA. It may be mentioned that deduction u/s. 80-IA (iv) shall be available only in respect of an undertaking which starts generating power on or before 31st March 2012.

3. In terms of Section 80JJA, where the gross total income of an assessee includes any profits and gains derived from the business of collecting and processing or treating of bio-degradable waste for generating power or producing bio-fertilizers, biopesticides or other biological agents or for producing bio-gas or making pellets or briquettes for fuel or organic manure, there shall be allowed, in computing the total income of the assessee, a deduction of an amount equal to the whole of such profits and gains for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which such business commences.

   It may be noted that deduction with respect to same business profits cannot be claimed simultaneously u/s. 80-IA as well as u/s. 80JJA.

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

5. As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

   ⇒ Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

   ⇒ Income received in respect of units from the Administrator of the specified undertaking; or

⇒ Income received in respect of units from the specified company

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

For this purpose (i) "Administrator" means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a company as referred to in section 2(h) of the said Act.

6. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

   For this purpose, "Equity Oriented Fund" means a fund –

   (i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

   (ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

   As per section 115JB of the Act, while calculating "book profits" the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax @ 18% (plus applicable surcharge and education cess) of the book profits.

7. The company will be entitled to amortise preliminary expenditure, being expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the Act, subject to the limit specified in section 35D(3).

8. As per section 72 of the Act, business losses if any, for any Assessment Year can be carried forward and set off against business profits for eight subsequent Assessment Years.

9. As per section 115JB of the Act, where tax payable by the company is less than 18% of book profit, Minimum Alternative Tax @ 18%(plus applicable surcharge and education cess) of book profits is payable.

   Under section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax ('MAT') paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowable.

10. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under section 48 of the Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.

11. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of

such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. However, the investment in long term specified asset made after April 1, 2007 should not exceed fifty lakh rupees.

A "long-term specified asset" for making any investment under this section on or after the 1st day of April, 2007 means any bond redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

12. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).

II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

1. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the IT Act will be exempt from tax to the extent of ₹ 1,500 per minor child.

2. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.

3. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

4. As per section 10(38) of the Act, long-term capital gains arising to the shareholder from the transfer of a long-term capital asset being an equity share in the Company or a unit of a equity oriented fund, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

5. As per section 112 of the Act, if the shares of the Company are listed on a recognised stock exchange, taxable long term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the act. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. However, the investment in long term specified asset made after April 1, 2007 should not exceed fifty lakh rupees.

A "long-term specified asset" for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

7. As per section 54F of the Act, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long-term capital asset (not being a residential house) are not chargable to tax if the entire net consideration received on such transfer is invested within the prescribed period in the residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

8. As per Section 74 of the Act, Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

9. As per section 111A of the Act, short-term capital gains arising to the shareholder from the sale of equity shares of the Company or a unit of equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax will be taxable at the rate of 15% (plus applicable surcharge and education cess).

III. Non-Resident Indians/Non Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors).

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

2. As per section 10(38) of the Act, long-term capital gains arising to the shareholder from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3. As per first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. However, the investment in long term specified asset made after April 1, 2007 should not exceed fifty lakh rupees.

A "long-term specified asset" for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

5. As per section 54F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of long term capital assets, not being a residential house, will be exempt from capital gain tax subject to certain conditions, if the net consideration from such shares is used for purchase of a residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. As per Section 74 of the Act, Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

7. As per section 111A of the Act, short-term capital gains arising to the shareholder from the sale of equity shares of the Company or a unit of equity oriented fund transacted through a recognised stock exchange in India, where such transaction is chargeable to securities transaction tax will be taxable at the rate of 15% (plus applicable surcharge and education cess).

8. Under section 115-C of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

   (i) As per provisions of setion115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge and education cess) (without indexation benefit but with protection against foreign exchange fluctuation) and the investment income shall be charged at the flat rate of 20%.

   (ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

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

   (iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year in which he is first assessable as a

Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

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

For the purpose of aforesaid clauses "Non-Resident Indian" means an Individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

9. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

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

2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long-term capital gains	10
Short-term capital gains (other than referred to section 111A)	30

The above tax rates have to be increased by the applicable surcharge and education cess.

In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. However, the investment in long term specified asset made after April 1, 2007 should not exceed fifty lakh rupees.

A "long-term specified asset" for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural

Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

5. As per Section 74 of the Act, Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

6. As per section 111A of the Act, short-term capital gains arising to the shareholder from the sale of equity shares of the Company or a unit of equity oriented fund transacted through a recognised stock exchange in India, where such transaction is chargeable to securities transaction tax will be taxable at the rate of 15% (plus applicable surcharge and education cess).

7. As per section 196D of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

V. Mutual Funds

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

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

1. Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

Benefits to shareholders of the Company under the Gift Tax Act, 1958

1. Gift made after 1st October 1998 is not liable for gift tax, and hence, gift of shares of the Company would not be liable for gift tax.

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

Notes:

(i) All the above benefits are as per the current tax laws.
(ii) The above Statement of Possible Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
(iii) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.
(iv) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, that the Indian Government has entered into under section 90 of the Act; and

(v) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint share holders.

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

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. Neither we nor any other person connected with the Issue has independently verified or attempted to verify the information provided in this section. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investment decisions should not be based to an undue extent on such information. Industry sources and publications are also prepared based on information and estimates as of specific dates and may no longer be current. The data may have been reclassified by us for the purpose of presentation.

Overview of the Indian Economy

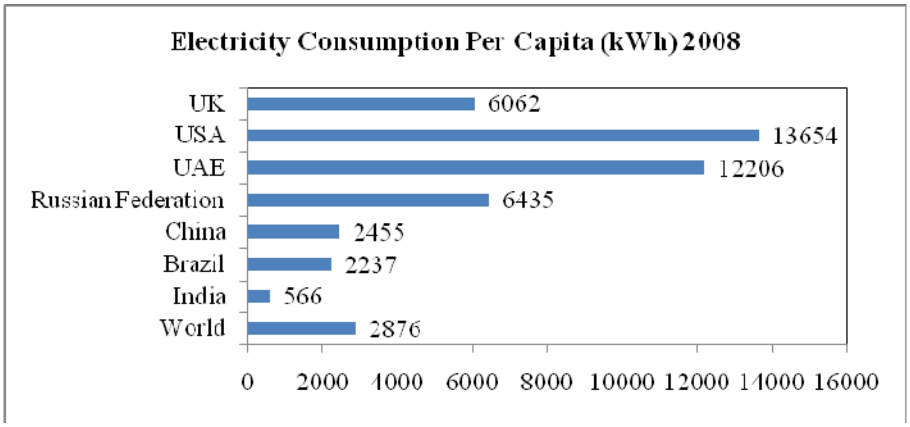
India had a GDP on a purchasing power parity basis (*equalized exchange rates*) of an estimated US $ 4.046 trillion in calendar 2010. *(Source: United States Central Intelligence Agency Factbook)*. This made the Indian economy the fifth largest in the world after the European Union, United States, China and Japan.
The broad-based recovery of the Indian economy started in the second half of FY 2010 and continued through the first quarter of FY 2011. The Indian economy exhibited robust acceleration in the pace of recovery in the fourth quarter of FY 2010 led by strong growth in industrial activities. GDP growth in the first quarter of FY 2011 showed a significant recovery from the 5.8 % growth recorded during the second half of FY 2009 and also grew over the 7.7% figure of previous quarter by recording a figure of 8.5%, mainly on account of the investment component. However, the growth rates of GDP at market prices and all its components were lower in the first quarter of 2011-12 than in the corresponding quarter of the previous year, which was 9.1% *(Source: RBI's Macroeconomic and Monetary Developments Second Quarter Review 2011-12 dated October 24, 2011)*

The global growth projection for 2011 was lowered to 4.0% from 4.3%. The IMF lowered the estimate for both, advanced economies, which saw the deepest cut, as well as for emerging and developing economies. It also lowered its growth forecast for India to 7.8% (for 2011) at market prices corresponding to 7.6% at factor cost (for 2011-12 and 2012-13). (*World Economic Outlook, IMF, September, 2011*)

The Indian Power Sector

Overview of the Power Sector

With the rapid fiscal expansion and growth of the economy, India has always been a power deficit country. According to the Central Electricity Authority's ("**CEA**") monthly review of the power sector ("**CEA Monthly Review**") published in September 2011, the total energy deficit and peak power deficit for the period April 2011 to August 2011 was approximately 5.90% and 8.2%, respectively. The peak power and energy shortages have been primarily attributed to sluggish capacity addition due to a myriad of reasons. The Indian economy is based on planning through successive five year plans ("**Five Year Plans**") that set out targets for economic development in various sectors, including the power sector. During the 9th Five Year Plan (1997-2002) ("**9th Plan**"), capacity addition achieved was 19,015 MW, which was 47.5% of the 40,245 MW targeted under the 9th Plan. During the course of the 10th Five Year Plan (2002 to 2007) ("**10th Plan**"), capacity addition achieved was 21,180 MW, which was 51.6% of the 41,110 MW targeted under the 10th Plan. *(Source: White Paper on Strategy for 11th Plan, prepared by the CEA and the Confederation of Indian Industry, August 2007)*. The current revised capacity target for the 11th Five Year Plan (2007-2012) ("**11th Plan**") is 78,700 MW. As of September 30, 2011, capacity addition achieved over the 11th Plan has been 63.55% of the target addition or 50,015.41 MW. The total installed power generation capacity in India was 182,344.62 MW as of September 30, 2011. The planned capacity addition for the financial year 2011-2012 was 17,716 MW of which 49.21% has been achieved in the first two quarters. *(Source: CEA Monthly Review, September 2011)*.

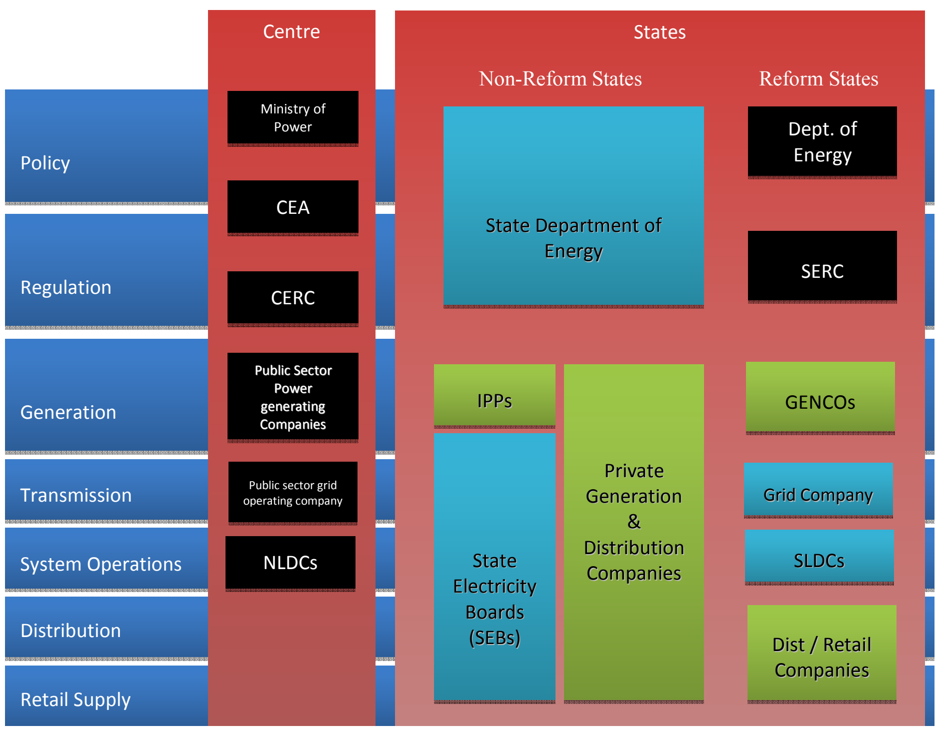


Source: World Development Indicators 2011, The World Bank

Also, when compared to other nations on per capita power consumption, India remains relatively low at 566 kWh compared to major economies like the United States of America and the United Kingdom. It is also lower than its peers like China and Brazil whose consumption is higher. The per capita consumption figure for the World is 2,876 kWh. However, this is also an opportunity for sustainable growth in demand for power in India.

Structure of the Indian Power Sector

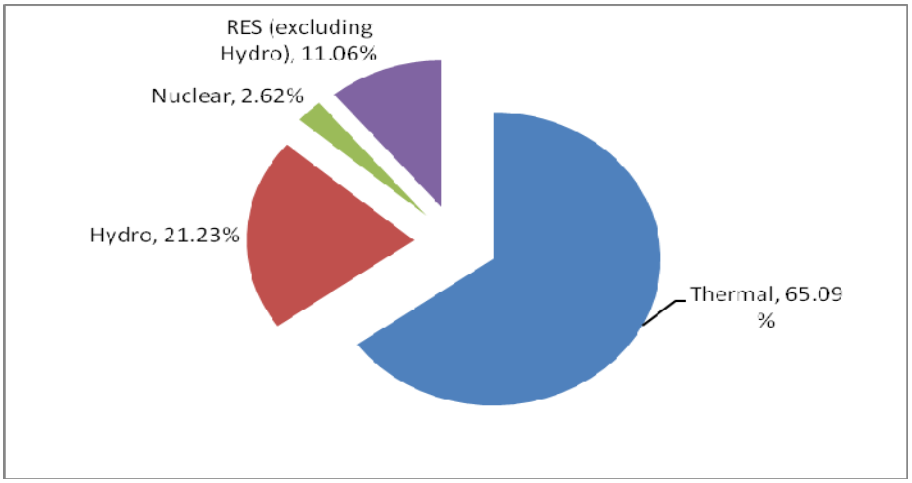
The following diagram depicts the structure of the Indian power industry for generation, transmission, distribution and consumption:



The Ministry of Power ("**MoP**") is the apex body at central Government level overseeing the power sector in India. Various public sector organizations, functioning under the aegis of MoP, generate power. Distribution and transmission is mainly undertaken at the State level however, some states also have power corporations taking care of generation at the state level. A central public sector organization handles distribution and development of connectivity between states.

Power generation

Power generation in the country is mainly through thermal power stations which use non-renewable sources of energy. According to CEA, around 1,18,696 MW was generated from thermal power stations constituting around 65% of the total installed generation capacity as of September 2011 with 54.71% of the capacity coming from coal fired power plants. Nuclear capacity remains restricted at about 2.62% of the total installed generation capacity. Hydro-electric power, which is considered a renewable resource, contributed around 38,706 MW constituting 21.2% of the total installed generation capacity of India. Power generated through renewable sources (mentioned as RES), excluding hydropower, was around 20,162 MW as of June 2011, constituting around 11% of the total installed generation capacity.



Source: CEA Monthly Review, September 2011

Installed generation capacity as of September 2011

Energy source	Installed generation capacity (MW)	% of total installed generation capacity
Coal	99,753.38	54.71%
Gas	17,742.85	9.73%
Diesel	1,199.75	0.66%
Nuclear	4,780.00	2.62%
Hydro	38,706.40	21.23%
RES (excluding Hydro)*	20,162.24	11.06%
Total	**182,344.62**	**100.00%**

*Figures as of June 2011 and includes small hydro project, biomass gasifier, biomass power, urban & industrial waste power

Source: CEA Monthly Review, September 2011

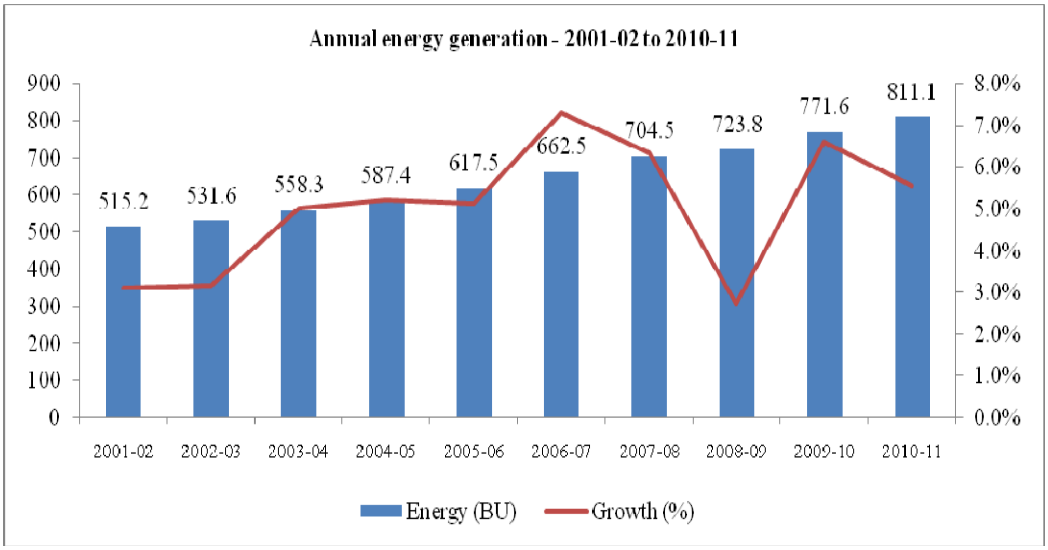
Also, majority of the power generation is still done by Government owned organizations, both at the state as well as at the central level. The private sector contributes only around 23.14% of the total power generated in the country.

Sector wise installed generation capacity (MW)

State Sector	83,563.65	45.83%
Central Sector	56,572.63	31.03%
Private Sector	42,208.34	23.15%
Total	**182,344.62**	**100.00%**

Source: Ministry of Power

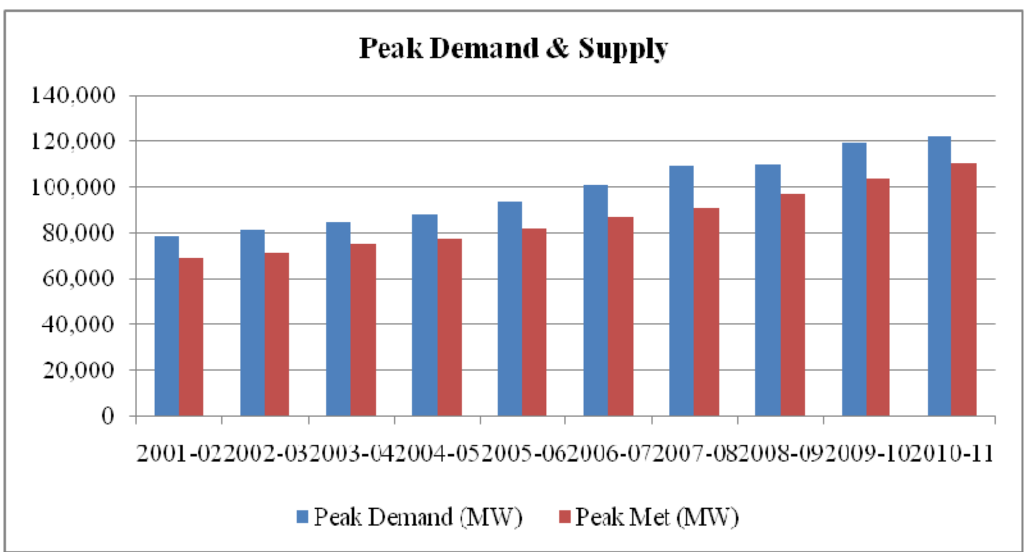
Annual energy generation has increased from 515.2 BU in 2001-02 to 811.1 BU in 2010-11 crossing the 800 BU mark and showing a CAGR of 5.17%. Year on year, it has grown by 5.55% from the 2009-10 generation figure of 771.6 BU. Further, according to CEA, thermal power generation achieved a growth rate of 3.81% with coal based generation showing a rate of 3.99%. Nuclear power generation showed a growth rate of 41.04% and hydro power generation grew by 10.01% in 2010-11.



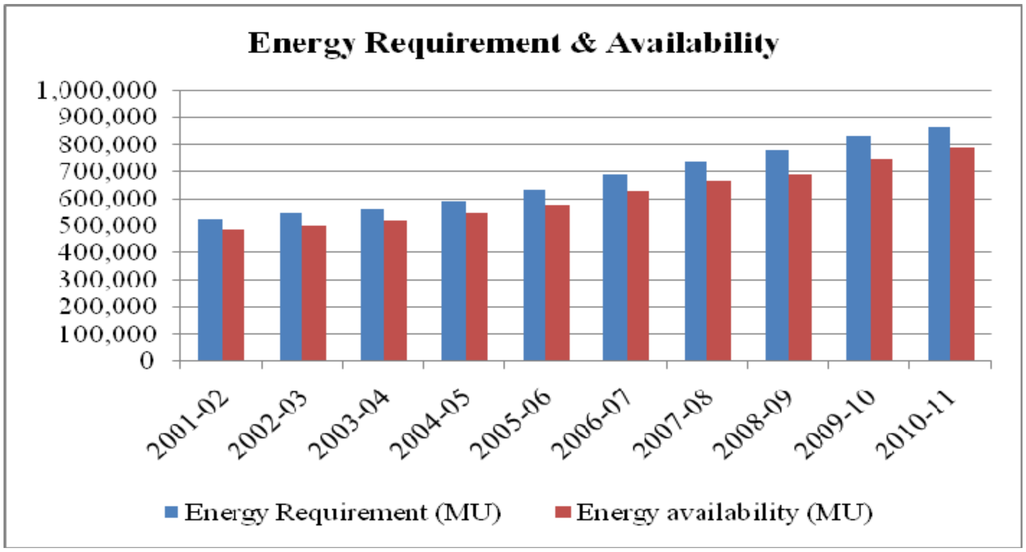
Source: Operation performance of generating stations in the country during the year 2010-11 (CEA)

Demand Supply scenario

One of the major characteristics of the Indian power industry has been energy shortages. In the period between March 31, 2002 and March 31, 2011 the peak demand for power in India increased at a CAGR of approximately 5.06% and energy requirement increased at a CAGR of 5.71% in the same period. However, the demand for electricity in India is still substantially in excess of the available supply. According to CEA, as of March 31, 2011, demand for electricity outstripped supply by 9.84% in terms of peak requirement and 8.50% in terms of energy requirement. Although power generation capacity has increased over the years, it has yet to keep pace with the growth in demand as can be seen by the graph below depicting the shortfall in peak supply and energy availability.



Source: Power scenario at a glance, January 2011 (CEA) & CEA Monthly Review, April 2011



Source: Power scenario at a glance, January 2011 (CEA) & CEA Monthly Review, April 2011

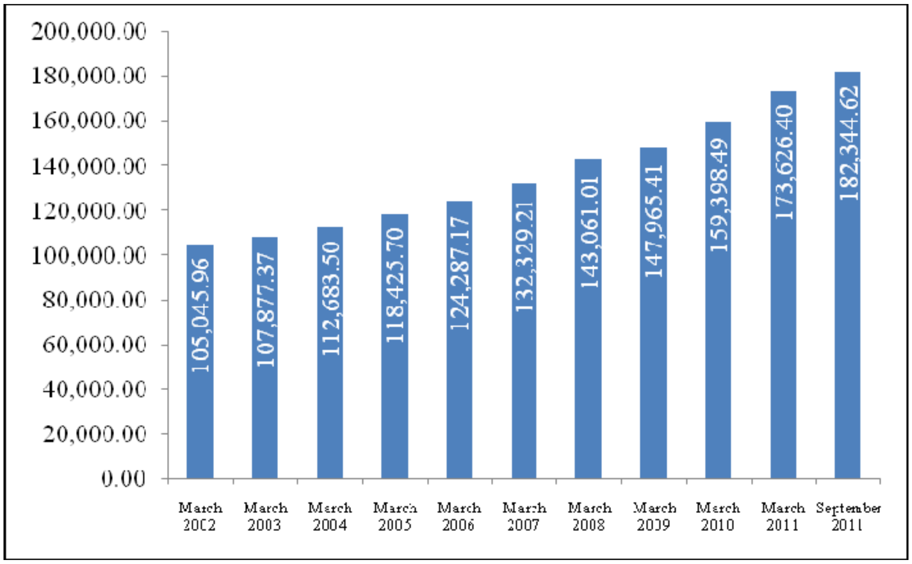
The table below depicts the peak deficit and energy deficit in value terms as well as percent terms from end of the 9th Plan i.e. 2001-02 to 2010-11 which shows that in every fiscal, there has always been a deficit, be it in the peak level or energy requirement.

Period	Peak Deficit/Surplus (MW)	Peak Deficit/Surplus (%)	Energy deficit/surplus (MU)	Energy deficit/surplus (%)
2001-02	-9,252	-11.79%	-39,187	-7.50%
2002-03	-9,945	-12.20%	-48,093	-8.81%
2003-04	-9,508	-11.24%	-39,896	-7.13%
2004-05	-10,254	-11.66%	-43,258	-7.31%
2005-06	-11,463	-12.29%	-52,735	-8.35%
2006-07	-13,897	-13.80%	-66,192	-9.58%
2007-08	-18,073	-16.60%	-73,336	-9.92%
2008-09	-13,024	-11.86%	-86,001	-11.07%
2009-10	-15,157	-12.72%	-83,950	-10.11%
2010-11	-12,031	-9.84%	-73,236	-8.50%

Source: Power scenario at a glance, January 2011 (CEA) & CEA Monthly Review, April 2011

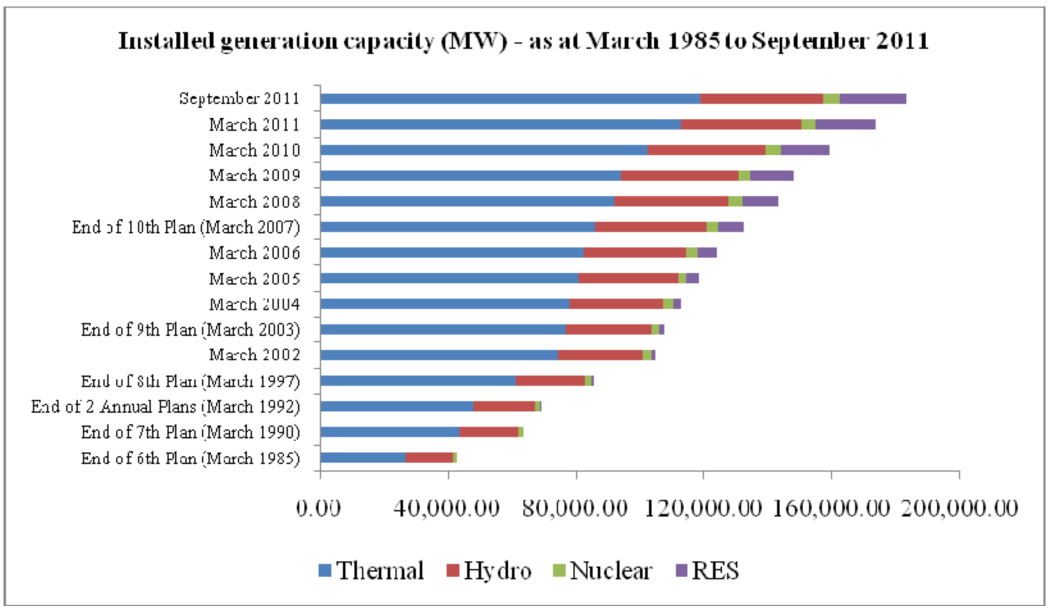
To deliver a sustained economic growth rate of 8% through 2031-32 and to meet the lifeline energy needs of all citizens, India needs, at least, to increase its primary energy supply by 3 to 4 times and, its electricity generation capacity/supply by 5 to 6 times of their 2003-04 levels. With 2003-04 as the base, India's commercial energy supply would need to grow from 5.2% to 6.1% per annum while its total primary energy supply would need to grow at 4.3% to 5.1% annually. By 2031-32, power generation capacity must increase to nearly 8,00,000 MW from 2003-04 capacity of around 1,60,000 MW inclusive of all captive plants. *(Source: Integrated Energy Policy, Report of the Expert Committee, August 2006 (Planning Commission))*.

The following shows a trend of the total installed generation capacity (MW) of India at the end of each fiscal FY 2002 to FY 2011 and lastly as of September 30, 2011.



Source: CEA Monthly Review, March 2002 – 2011, September 2011

Capacity addition



Source: CEA Monthly Review, March 2002 – 2011, September 2011

At the end of the 6th Plan i.e. March 31, 1985 the total installed generation capacity was 42,584.72 MW with thermal capacity being 27,029.70 MW, hydro capacity being 14,460.02 MW and nuclear being 1,095 MW as the chart above shows. This increased to 1,32,329.21 MW at the end of 10th Plan (March 31, 2007) with thermal capacity being 86,014.84 MW, hydro power generating capacity being 34,653.77 MW, nuclear being 3,900 MW and renewable being 7,760.60 MW. Currently i.e. as of September 30, 2011, total installed power generation capacity is 1,82,344.62 MW. The chart above shows that there has been maximum capacity addition between the currently running plan i.e. 11th Plan (till September 30, 2011) and the 10th Plan. Total installed power generation capacity of around 50,000 MW was added during this period. According to CEA, the 11th Plan capacity addition target is 78,700.40 MW (shown in detail below), which means an additional capacity of 28,700.40 MW will have to be added between October 1, 2011 and March 31, 2012 (completion of 11th Plan period). Further, the planning commission's anticipation of total generating capacity addition of 92,577 MW to arrive at a total generating capacity of 2,24,906.21 MW at the end of the 11th Plan *(Source: Eleventh*

Five Year Plan 2007-12, Volume III (Planning Commission)) during the 11th Plan will be difficult to attain.

Sector	Hydro	Thermal	Nuclear	Total
State	3,482.00	23,301.40	0.00	26,783.40
Central	8,654.00	24,840.00	3,380.00	36,874.00
Private	3,491.00	11,552.00	0.00	15,043.00
Total	**15,627.00**	**59,693.40**	**3,380.00**	**78,700.40**

Source: Power scenario at a glance, January 2011 (CEA)

To achieve the above capacity targets, the Planning Commission had projected an investment of ₹ 6,66,525 crore (at 2006-07) prices which is around 128% of the anticipated investment of ₹ 2,91,850 crore in the 10th Plan. For the achievement of this investment target, the central government would have to spend around 2.5 times more than its anticipated expenditure in the 10th Plan, the state government, 2.31 times and the private sector, around 2 times more. *(Source: Eleventh Five Year Plan 2007-12, Volume III (Planning Commission))*.

Renewable Power Generation

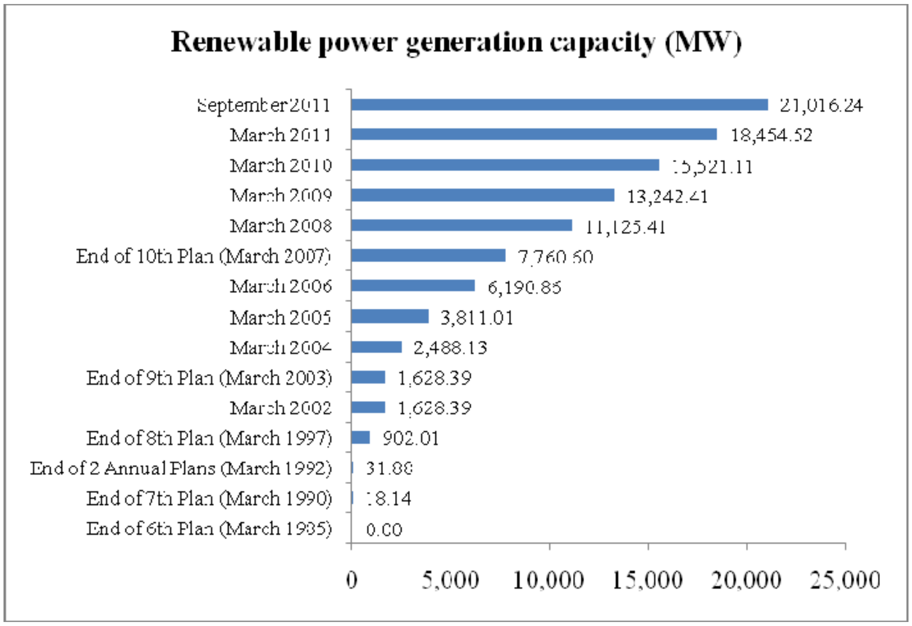
During the last few decades, the demand for electricity in India has increased greatly, primarily due to the rapid rate of urbanization and industrialization. The conventional fossil fuel resources for power generation are fast depleting and there is a growing concern over the environmental degradation caused by conventional power plants.

Against such implications, power generation from non-conventional resources assumes greater significance. The importance of renewable energy was recognized in the country in the early 1970s. India has today one of the largest programmes for renewable energy. The Ministry of Non-conventional Energy Sources ("**MNES**") created in 1992 was the nodal agency of the Government of India for all matters relating to new and renewable energies. It was renamed to Ministry of New and Renewable Energy ("**MNRE**") in 2006. The national programme covers the entire gamut of technologies, including improved chulhas, biogas plants, short rotation fuel wood tree species, biomass, solar thermal and solar photovoltaic systems, wind farms, wind mills, biomass based cogeneration, small and micro hydro electric systems, energy recovery from urban, municipal and industrial wastes, hydrogen energy, ocean energy, fuel-cells and gasohol etc. In each of these areas, there are programmes of resource assessment, research and development and technology commercialization.

Fossil fuels and hydro-electricity will continue to play a dominant role in the country's energy sector in the next few decades. However, fossil fuel resources are limited, and non-renewable energy sources, therefore need to be used prudently. At the same time the existing technologies of production, transmission and distribution of electricity as well as end-use have inherent inefficiencies. It is, therefore, imperative to diversify the country's energy supply.

India and renewable power

Renewable energy is seen as an effective option for ensuring access to modern energy services. In addition, it also provides a degree of national energy security. Today, India is at the forefront of international effort to harness renewable energy resources and has one of the largest and most broad-based programmes in non-conventional energy. There is significant potential in India for generation of power from renewable energy sources such as wind, small hydro, biomass and solar energy which can be seen from the growth in the installed power generation capacity of renewable sources since the beginning of the 9th Plan (April 1, 2007). However, with the recent thrust from the government through policies and initiatives, the current plan i.e. 11th Plan has seen the maximum capacity addition for power generated through renewable means. Till September 2011, around 13,500 MW of renewable power generation capacity has added.



Source: CEA Monthly Review, March 2002 – 2011, September 2011

As of September 2011, around 21,000 MW of installed capacity is generated through renewable sources constituting 11.53% of the total installed power generation capacity as compared to a miniscule 2% of the total installed power generation capacity at the end of March 2002.

According to Indian Renewable Energy Status Report (Background Report for DIREC 2010), additions totalling 15,000 MW are targeted during the 11th Plan to bring the total installed grid-connected renewable generating capacity to over 25,000. Wind energy is expected to contribute approximately two-thirds of the added capacity in this plan period. If India is able to achieve its renewable energy goals by 2022 (by the end of the 13th Plan), it will reach a total of 74,000 MW of installed capacity for wind, solar energy, biomass, and small hydropower, with wind and solar expected to account for more than 80% of the installed renewable power.

Special emphasis has been given on the generation of grid quality power from renewables. India's energy scenario calls for the optimum management of all available resources in order to attain the national goals of development and social equity. A well-balanced energy mix, in which all energy resources are utilised on the basis of their economic value and environmental costs, is essential for sustainable development. Renewable energy resources are non-depletable, can effectively meet energy demand and are environmentally benign.

MNRE classifies renewable sources of power into grid-interactive power and off grid/captive power. Grid-interactive power is classified into wind power, small hydro power, biomass power, bagasse cogeneration, waste to power – industrial & urban, and solar power. Off-grid/captive power is classified into waste to energy – urban or industrial, biomass (non-bagasse) cogeneration, biomass gasifiers – rural & industrial, aero-generators/hybrid systems, solar power systems (>1 kW) and water mills/micro hydel. The following table shows the achievements till August 2011 for power generated through renewable sources:

Renewable Energy Programme	Target for 2011-12	Achievement during the month August 2011	Total achievement during 2011-12	Cumulative achievement upto August 2011
Grid-interactive power (MW)				
Wind Power	2400	266.00	833.00	14989.00
Small Hydro Power	350	21.00	111.30	3153.93
Biomass Power	460	25.00	86.50	1083.60
Bagasse Cogeneration		12.5	111.50	1779.03
Waste to Power – Urban	25	1.20	1.20	20.20
Waste to Power – Industrial		-	-	53.46
Solar Power (SPV)	200		8.50	46.16

Renewable Energy Programme	Target for 2011-12	Achievement during the month August 2011	Total achievement during 2011-12	Cumulative achievement upto August 2011
Total	**3435**	**325.70**	**1152.00**	**21125.38**
Off-grid/ captive power (MW_{eq})				
Waste to Energy – Urban		-	-	3.50
Waste to Energy – Industrial	15.00	0.75	10.18	72.30
Biomass (non-bagasse) Cogeneration	80.00	2.55	31.99	327.95
Biomass Gasifiers – Rural	3.00	0.72	1.20	15.55
Biomass Gasifiers – Industrial	10.00	2.96	4.50	125.88
Aero-Generators/Hybrid systems	0.50	-	0.12	1.24
SPV Systems (>1kW)	20.00	0.42	3.50	72.50
Water mills/micro hydel	400 Nos.	143 Nos.	143 Nos.	1818 Nos.
Total	**128.50**	**7.40**	**51.49**	**618.92**

Source: Ministry of New and Renewable Energy

Regulatory Incentives

The central and state Governments have put in place various promotional policies and provide several regulatory incentives for companies in the renewable energy space.

Fiscal Incentives

Item	Description
Accelerated Depreciation	80% depreciation in the first year can be claimed for the following equipment required for co-generation systems: • Back pressure, pass-out, controlled extraction, extraction–cum-condensing turbine for co-generation with pressure boilers • Vapour absorption refrigeration systems • Organic rankine cycle power systems • Low inlet pressures small steam turbines
Income Tax Holiday	Ten years tax holiday
Customs Duty	Concessional customs and excise duty exemption for machinery and components for initial setting up of projects.
General Sales Tax	Exemption is available in certain states

Source: Ministry of New and Renewable Energy

In addition to the above, capital subsidy is given to biomass based power projects, bagasse co-generation by private sugar mills and bagasse co-generation projects by cooperative/ public sector sugar mills based on capacity and the state in which the project is located.

Preferential tariffs & Renewable Purchase Obligations

The Electricity Act of 2003, the National Electricity Policy of 2005 and the National Tariff Policy of 2006 outlined the concept of preferred tariffs. Post this, various state electricity regulatory commissions have set preferential tariffs for power produced from renewable energy sources. Further, these state electricity regulatory commissions are also required to specify a percentage, called Renewable Purchase Obligations ("**RPO**"), which represents the proportion of electricity generated from renewable energy sources it will purchase out of the total annual purchase of electricity done by that particular state. The state wise tariffs and RPO as on March 31, 2011 are outlined below:

State	Tariff fixed by Commissions	RPO %
Andhra Pradesh	₹ 4.28/kWh (biomass) ₹ 3.48/kWh (co-generation)	Min. 3.75%
Chhattisgarh	₹ 3.93/Unit (biomass)	5%
Gujarat	₹ 4.40/Unit (with accelerated depreciation, biomass) ₹ 4.55/Unit (with accelerated depreciation, for first 10 years, co-generation)	10%
Haryana	₹ 4.00/Unit (biomass) ₹ 3.74/Unit (co-generation with 3% escalation with base year 2007-08)	1%
Karnataka	₹ 3.66/Unit (on power purchase agreement signing date) & ₹ 4.13/Unit (in the 10^{th} year) (biomass) ₹ 3.59/Unit (on power purchase agreement signing date) & ₹ 4.14/Unit (in the 10^{th} Year) (co-generation)	Min.10%
Kerala	₹ 2.80/Unit (biomass, escalated at 5% for five years from 2000-01 onwards)	3%
Maharashtra	₹ 4.98/Unit (biomass) ₹ 4.79/Unit (year of commissioning, co-generation)	6%
Madhya Pradesh	₹ 3.33 to 5.14/Unit paise for 20 years with escalation of 3-8 paise/year	0.8%
Punjab	₹ 5.05/Unit (2010-11, escalated at 5%, biomass) ₹ 4.57/Unit (2010-11, escalated at 5%, co-generation)	Min. 3%
Rajasthan	₹ 4.72/Unit (water cooled, 2010-11) & ₹ 5.17/Unit (air cooled, 2010-11, biomass)	1.75%
Tamil Nadu	₹ 4.50-4.74/Unit (2010-11, escalation of 2%, biomass) ₹ 4.37-4.49/Unit (2010-11, escalation of 2%, co-generation)	Min. 13%
Uttaranchal	₹ 3.06/Unit (2010-11, biomass) ₹ 3.12/Unit (2010-11, new co-generation projects)	9%
Uttar Pradesh	₹ 4.29/Unit (for existing plants) and ₹ 4.38/Unit (for new projects) (escalation of 4 paise per year with base year being 2006)	4%
West Bengal	₹ 4.36/Unit (fixed for 10 years, biomass)	4%
Bihar	₹ 4.17/Unit (2010-11, biomass ₹ 4.25/Unit (2010-11, for existing co-generation plants) & ₹ 4.46/Unit (2010-11, for new co-generation plants)	1.5%
Orissa	₹ 4.09/Unit	

Source: Ministry of New and Renewable Energy

CDM

The Clean Development Mechanism (CDM) under the Kyoto Protocol to United Nations Framework Convention on Climate Change (UNFCCC) provides an opportunity for the Indian power sector to earn revenue through the reduction of greenhouse gas emissions (GHG), particularly carbon dioxide (CO_2).

India has tremendous potential for CDM projects. Power generation based on higher efficiency technologies such as supercritical technology, integrated gasification combined cycle, and renovation and modernization of old thermal power plants, co-generation along with renewable energy sources are some of potential candidates for CDM in the power sector. Energy efficiency and conservation projects also present themselves as eligible CDM projects, as these would also result in energy savings and displace associated CO_2 emissions which otherwise would be produced by grid-connected power stations.

Annex I countries are those that have a limit for the 6 Green House Gases as specified in the Kyoto Protocol. These parties which have ceilings for GHG emission caps will invest in non-Annex I countries, which don't have emission caps, to implement project activities to reduce GHG emissions. The Credits that are derived from this reduction due to the implementation of the project are called Certified Emission Reduction or CERs.

The UNFCCC has prescribed a methodological tool that determines the CO_2 emission factor for the electricity generated by power plants in an electricity system by calculating the OM (Operating Margin), Build Margin (BM) as well as the Combined Margin (CM).

For the purpose of setting up a CDM project the basic data that is required is the baseline CO_2 emissions so that the reductions may be calculated. The Government of India has published the baseline data for Carbon Dioxide that is the official baseline data that will be used for all projects.

Financing Potential

Installed generation capacity as of September 2011

Energy source	Installed generation capacity (MW)	% of total installed generation capacity
Coal	99,753.38	54.71%
Gas	17,742.85	9.73%
Diesel	1,199.75	0.66%
Nuclear	4,780.00	2.62%
Hydro	38,706.40	21.23%
Renewable (excluding Hydro)*	20,162.24	11.06%
Total	**182,344.62**	**100.00%**

Source: CEA

The above table gives us 2 clear indications. The first is that the installed capacity is skewed towards thermal power generation. This means there will be a need for fuelling this capacity either with Coal, Gas or petroleum products. The future plans of expansion also have a positive skew towards coal. Since the current and future capacity will be predominantly coal-based power generation, this will be a major source of CO_2 emissions in the country. Thus, there is a huge potential for funding these projects.

According to Indian Renewable Energy Status Report (Background Report for DIREC 2010), India has been at the forefront of receiving CDM benefits. As of January 2010, 1,551 Indian projects have been granted host country approvals. The projects are in the fields of energy efficiency, fuel switching, industrial processes, municipal solid waste, and renewable energy. Pending registration by the CDM executive board, India will generate a total of 627 million CERs before the end of 2012. At a price of 500 per CER, they would be worth ₹ 31,350 crore. In 2009, 478 of the world total 2,011 registered projects were generated by India. Only China had registered more. As of September 2010, India had 532 registered CDM projects, 426 of which were in the energy sector, with the overwhelming majority comprised of renewable energy projects.

Biomass

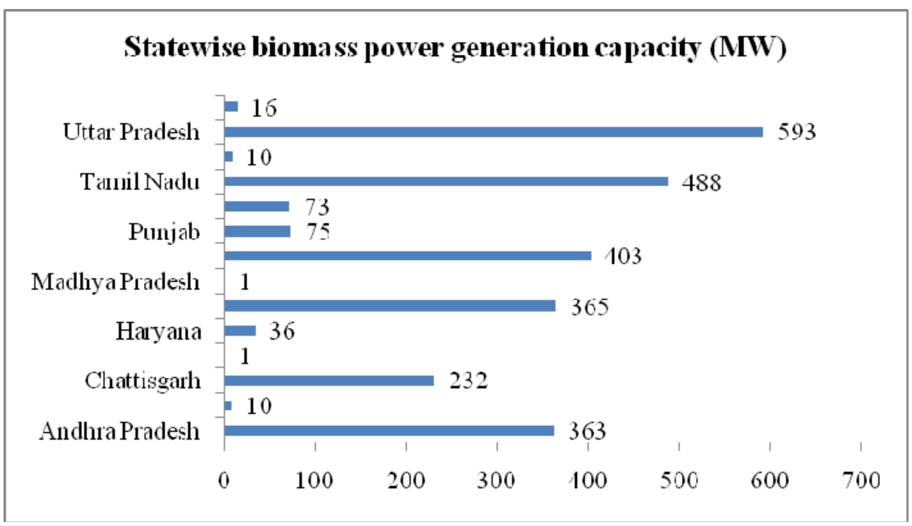
Biomass has always been an important energy source for the country considering the benefits it offers. It is renewable, widely available and carbon-neutral. Biomass is also capable of providing firm energy. According to MNRE, about 32% of the total primary energy used in the country is still derived from biomass and more than 70% of the country's population depends upon it for its energy needs. Biomass power generation in India is an industry that attracts investments of over ₹ 600 crores every year, generating more than 5000 million units of electricity and yearly employment of more than 10 million man-days in the rural areas.
Biomass materials used for power generation include bagasse, rice husk, straw, cotton stalk, coconut shells, soya husk, de-oiled cakes, coffee waste, jute wastes, groundnut shells, saw dust etc.

Biomass power generation in India

According to MNRE, the current availability of biomass in India is estimated at about 500 millions metric tonnes per year. Studies sponsored by the MNRE has estimated surplus biomass availability at about 120 – 150 million metric tonnes per annum covering agricultural and forestry residues corresponding to a potential of about 18,000 MW. This is excluding about 5000 MW of bagasse based cogeneration potential in major sugar producing states.

According to Indian Renewable Energy Status Report (Background Report for DIREC 2010), in 2008, the grid-connected capacity additions for biomass power and bagasse cogeneration were 97 MW and 248 MW, respectively. Between April and December 2009, biomass power and bagasse cogeneration contributed 384 MW of capacity additions bringing the total biomass power and cogeneration capacity to 2,136 MW. Biomass power projects contributed 125 MW and bagasse cogeneration contributed 259 MW during this period. The total installed grid-connected biomass power and bagasse cogeneration capacity was 2,322 MW at the end of June 2010.

Currently as per MNRE, 288 biomass power and cogeneration projects aggregating to 2665 MW capacity have been installed in the country for feeding power to the grid. This consists of 130 biomass power projects aggregating to 999 MW and 158 bagasse cogeneration projects in sugar mills with surplus capacity aggregating to 1666 MW. In addition, around 30 biomass power projects aggregating to about 350 MW are under various stages of implementation and around 70 Cogeneration projects are under implementation with surplus capacity aggregating to 800 MW.



Source: Ministry of New and Renewable Energy

Promotional Policy for biomass plants

As per MNRE, central financial assistance, fiscal incentives such as 80% accelerated depreciation, concessional import duty, excise duty, tax holiday for 10 years etc., are available for biomass power projects. The benefit of concessional custom duty and excise duty exemption are available on equipments required for initial set up of biomass projects based on certification by MNRE. In addition, state electricity regulatory commissions have determined preferential tariffs and Renewable Purchase

Standards (RPS). Further, Indian Renewable Energy Development Agency (IREDA) provides loan for setting up biomass power and bagasse cogeneration projects.

Rice Husk based power generation

Amongst the various renewable energy sources, bio-resources, of which agro-residue forms a major component, hold special promise as future fuel and feedstock. Biomass based systems are the only energy generating systems, which have the combined benefits of renewability, decentralization, and availability on demand without the need for separate storage. Rice husk constitutes the largest by-product of rice milling and one fifth of the paddy by weight consists of rice husk. Rice husk has a considerable fuel value for a variety of possible industrial uses. Rice husk is a good feedstock for power generation due to its high calorific value.

Silica production

Ash generated from rice husk can be further processed and silica can extracted. Rice husk ash contains 85%-90% silica. Precipitated silica is a versatile product, both, due to its inherent properties and due to its manufacturing process being quite flexible allowing production of a variety of grades with a wide range of physical properties. The consumption industries that have been and will be driving this growth are green tyres, dental applications, health/nutrition markets, footwear, cosmetics/ pharmaceuticals and pesticides.

OUR BUSINESS

Overview

We are an independent renewable energy-based power co-generation company. Our first rice husk fired 16 MW biomass based cogeneration eco friendly power project ("**16 MW Plant**"), located at Tehsil Chhata, Mathura, Uttar Pradesh is nearing completion and awaits connection to the state grid.

Our 16 MW Plant has been set up on a land admeasuring 4.16 hectares. The primary fuel source for the plant is rice husk, however the technology employed permits us to use other biomass fuels such as feedstock which includes bagasse, etc. The area in proximity to the power plant, we believe, is sufficiently irrigated and can provide a sustainable source of agro residues to be utilized as feedstock. Further, UAL will be supplying us with rice husk for our existing power plant, for which we have entered into a Raw Material Supply agreement with them.

We propose to set up another rice husk based biomass co-generation power plant at Tehsil Chhata, Mathura, Uttar Pradesh having an installed power generation capacity of 18 MW from the proceeds of this Issue. This co-generation power plant will be set up on the existing land available with us.

Our Company is also planning to take up Silica production and has entered into a Technology Transfer Agreement ("**TTA**") with Advanced Bioresidue Energy Technologies Society ("**ABETS**") located at Indian Institute of Science, Bengaluru. We will be able to generate precipitated Silica from rice husk ash using this technology. In the future, we also intend to commercialize the technology and development experience by setting up power generation and silica plants on EPC/BOT basis in the vicinity of areas which have sufficient raw material availability.

Business Operations

We propose to commence commercial power generation at our 16 MW Plant from March 2012. Towards this, we have entered into a Power Purchase agreement ("**PPA**") with Tata Power Trading Company Limited ("**TPTCL**") for supply of upto 16 MW of power. For more details on the terms of PPA, please refer to the chapter titled *"Our Business"* beginning on page 92 of this Draft Red Herring Prospectus.

According to our current growth plans and based on commitment and development of our proposed Project, we expect the aggregate installed capacity of our biomass plants to increase by 18 MW in the Financial Year ending March 31, 2014. This will lead to us having an aggregate capacity of 34 MW by FY 2014.

Our Competitive Strengths

We believe that our primary competitive strengths include the following:

Strategic location of plants and proximity to raw materials

The site for our plants is located about 6 km from Kosikalan, a town near National Highway 2 (Delhi-Agra), Mathura in Uttar Pradesh. The site is about 36 kms from Mathura. The plant site and adjoining villages are well connected by roads and hence transportation happens uninhibited. We believe that we will be able to secure adequate fuel for our plant considering the fact that Mathura and regions around it are part of the rice growing belt of northern India. Further, other biomass fuel like bagasse is also available in the region. We have also entered into a Raw Material Supply Agreement ("**RMSA**") with UAL, our Corporate Promoter, for the supply of rice husk to be used as fuel for our plant. We estimate that our arrangement with UAL will enable us to meet majority of our fuel requirements. However, if UAL is not able to supply rice husk as per the RMSA, we believe that we will be able to source it adequately from other parties due to it being widely available.

Further, the location of power plant enables power to be directly fed to the local substation, consequently minimizing transmission and distribution (T&D) losses and the requirement of long feeder lines.

Rice husk as our choice of fuel

We will primarily be using rice husk to fuel our power plant. Rice husk, because of its various properties, makes for a very appropriate choice as fuel for us. One of the main reasons is that it is widely available since rice processing is an organized industry and being done on a large scale. Also, once paddy is processed for extracting rice, the rice husk left behind has no other use except for being burnt to produce heat and because of its low density and voluminous nature, it is expensive and difficult to store or transport so many such mills are eager to dispose it at the lowest cost.
Further, rice husk has a higher calorific value than bagasse which, apart from being used as fuel, is also required in the paper industry. We believe that the above reasons will enable us to procure rice husk in adequate quantities and also help us in meeting efficiency and generation requirements.

Use of emergent technology

The boiler being used by us is more efficient as compared to a traditional one. Further, the modern technology used in the boiler can be used to burn husk at a specified temperature, which will allow us to use the ash generated for extraction of silica. We have acquired a patented technology from ABETS for extraction of precipitated silica from rice husk ash. This silica will be cheaper as raw material cost and cost of conversion will be lower as compared to the traditional route of silica production.

Our power plants are located in areas with significant power deficits

The power sector in our country is characterized by power shortages that have only amplified with the economic development of the country. Uttar Pradesh, where our current and proposed plants are located, recorded a shortfall of 11,446 MU in 2010-11 and is expected to grow to 19,436 MU in 2011-12 *(Source: Generation Balance Report for 2011-12 by the Central Electricity Authority)*. As a result, we will be able to evacuate all the power that is produced in the plant, after auxiliary consumption, and are inclined to believe that we would be able to sell all the power that we will generate.

Incentives to produce power from renewable energy sources

The government has carried out a series of regulatory reforms in the sector and has provided an impetus to the utilization of renewable sources for generating energy, the results of which can be seen from figures of September 2011, showing around 21,000 MW of installed capacity being generated through renewable sources, constituting 11.53% of the total installed power generation capacity. This, when compared to 2% contribution to the total installed power generation capacity at the end of March 2002, shows a significant growth in power generation from renewable energy sources *(Source: CEA Monthly Review, March 2002 – 2011, September 2011)*. Further, the government has put in place many promotional policies, assistance schemes and fiscal incentives for equipments, projects and tariffs which, we believe will bolster us to tap additional opportunities in the renewable energy space.

We have strong management skills

Our directors have varied experience in the fields of agriculture commodities, banking, power, administration, etc. UAL, our Corporate Promoter, has been in the business of rice processing since 1996. UAL has been running a rice husk fired power plant of 1 MW since 2008 for captive consumption at its plant located at Mathura. Further, we have successfully completed construction of a 16 MW Plant at Tehsil Chhata, Mathura, Uttar Pradesh which is expected to commence power generation from March 2012.

CDM benefits

We use biomass as our source of fuel instead of fossil fuels, which entitles us to carbon credits under Kyoto Protocol. We are in the process of registering our 16 MW Plant for CDM benefits with UNFCCC.

Our Strategy

Our objective is to become an established player in the renewable energy space and contribute positively in bridging the gap between the country’s demand and supply of power by employing efficient practices for utilization of renewable sources for generating energy.

Establish our position in the country's renewable energy space

We have already set up our first rice husk fired co-generation power plant having 16 MW capacity which is scheduled to be commissioned from March 2012. This facility, apart from supplying power to UAL, will supply the remaining capacity to a leading power supply company via a power purchase agreement which is already in place. With the experience and technical knowhow gained through this project, we propose to set up another plant with an installed power generation capacity of 18 MW through the proceeds of this issue, which will take our total installed capacity to 34 MW. In the future, we also intend to commercialize the technology and development experience by setting up power generation plants on EPC/BOT basis in the vicinity of areas which have sufficient raw material availability.

Additional revenue generation by further processing of by-product

After the rice husk is burnt in the boiler for generation of steam, we will use the ash generated to produce silica. We have acquired a patented technology from ABETS for the same. Further, we also intend to commercialize the technology and development experience by setting up similar silica generation plants on EPC/BOT basis for other power plants.

Identifying entities for alliances or strategic acquisitions as a method of supplementing growth with a view to build a portfolio of projects with attractive returns

We believe our experience of successfully setting up a power plant has garnered us the expertise to identify prospective partners for alliances, be it technical, commercial or financial, so as to derive value out of the alliance. We may also look at strategic acquisitions as a means of growth as and when there is a value driven opportunity present in the market. Our aim is to create a diversified portfolio of renewable energy projects with a focus on achieving attractive returns from power sales and reduce risks associated from concentration of business to a select set of projects.

Employ best industry practices with supplemental processes for setting up projects with a view to reduce installation costs as well as increase operating efficiencies

We intend to employ cost efficient methods and equipments for setting up of our projects so as to reduce installation costs. We also plan to continuously work on the entire value chain, right from procurement of raw materials to supply of power, on both, our existing plant as well as upcoming plant, so as to improve efficiencies which in turn will result in the improvement of our profitability. We plan to achieve this by focusing on renewable energy projects with diverse fuel sources, location and delivery arrangements, strengthen our plant installation knowhow, identify and acquire renewable energy assets in the market, and continue to develop long term and value driven relationships with suppliers as well as customers.

Pursue contract based model as a core strategy to improve profitability

We aim to improve profitability on the power we generate from new as well as existing plant by entering into favourable combinations of power purchase contracts with private electricity supply companies, central government agencies, private industrial and commercial consumers, etc. by taking advantage of regulatory incentives and strategically locating our projects in high electricity demand zones.

To attract, retain and train qualified personnel

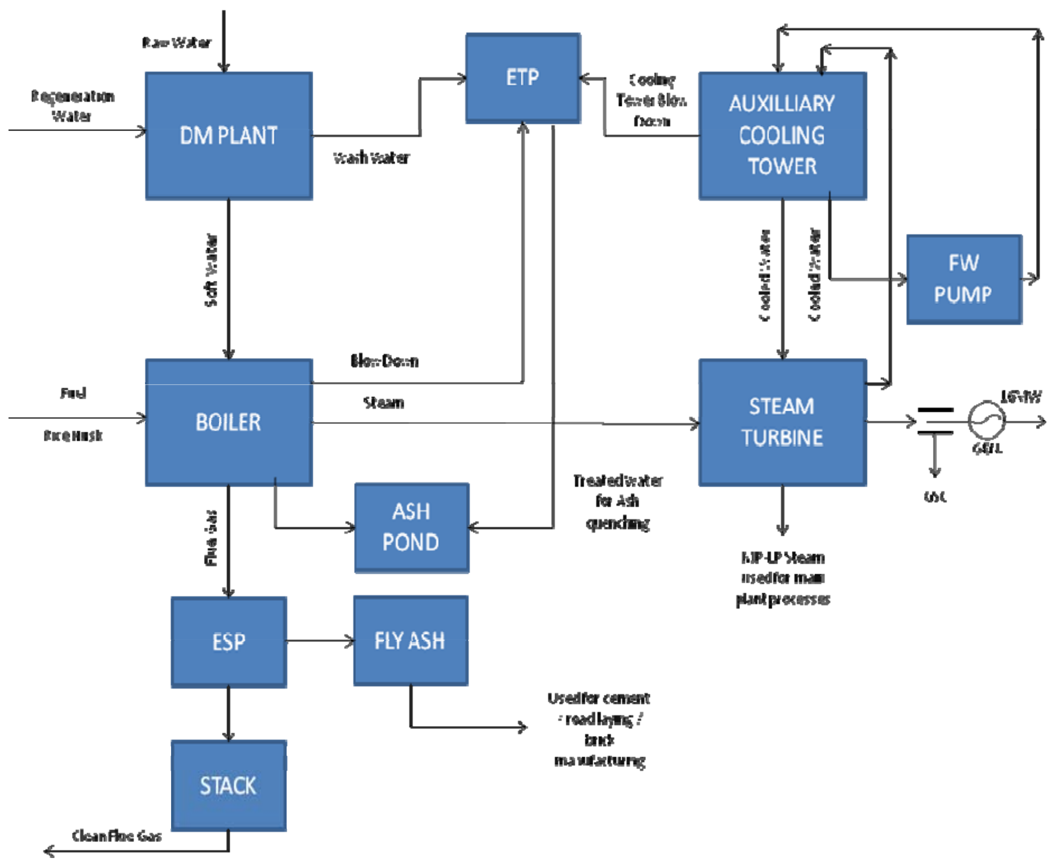
Our Company recognizes work force as an integral part of industry and business. We have a strong human resources team that carries out recruitment, training, and promotion and transfer schemes. We have a timely appraisal system that recognizes employee potential for promotion and incentivisation. Our HR policy is dynamic and flexible enough to meet the timely needs of our Company. Our Company believes in the principle of 'Right person for the right job' while recruiting and promoting employees. Our Company also believes in balancing the team by regularly recruiting young professionals directly from universities through campus interviews to ensure that the team is a right blend of youth and experience.

Biomass Power Plant

Biomass based power plants use agricultural by-products as fuel for generating electricity. Raw material or fuel or biomass is collected and transmitted to the power plant through a mechanical conveyor system or directly, where the material is processed and readied for burning. The biomass is then burnt in a boiler to generate steam. The steam then drives turbines which are connected to generators / alternators which generate electricity, which is used either for captive consumption or is transmitted through the power grid to private consumers. Our plant has the capability to use one or more types of biomass, including rice husk, mustard and soya bean husks, straw, cotton and maize stalks, coconut and ground nut shells, wood chips and baggasse, as fuels to generate power.

Biomass plants may operate independently or may be in the form of co-generation plants. Co-generation plants in India use biomass as a fuel in a boiler to produce steam and electricity. The co-generation plant then supplies power to the grid or power and steam to third parties or it may be used for captive consumption.

Below is an illustration of the principal equipment and processes of our 16 MW Plant:



Development of Biomass Power Plant

Our Company follows standard procedures for setting up a power plant. For our 16 MW Plant, we followed a development process whose brief steps are outlined below:

Site Assessment:

The initial step towards setting up of our 16 MW Plant was a complete survey of the site location keeping in view its proximity to fuel sources, arrangement of mechanism to transmit fuel to the boilers, access to roadways and space to construct warehousing facility for storing rice husk stock. Since paddy cultivation is seasonal, we need to store rice husk to cater to the plant's requirement for continuous generation of power throughout the year. Proper care was taken to ensure that sufficient water supply is available through bores within the premises so that supply of water to the boiler is unhindered. A survey was conducted for laying down high tension lines for supply of power to the grid and constructions of substations in between.

Detailed Feasibility Study

After concluding the site assessment, we identified MITCON, as our advisor for assessing the techno-commercial viability of the project. Apart from advising us about the techno–commercial viability, MITCON also advised us on vendor selection, contract finalization and project monitoring in order to meet the time and efficiency requirements of the project.

Financial Evaluation and Approval

The techno-commercial viability report forms part of a detailed project report given by the consultant. Upon receipt, the report was critically examined by our finance and technical teams and accordingly, the management was informed and advised about the viability and break even timelines of the project. The technical team, with the help of consultants, examined the detailed project report with regards to efficiency in output, cost of generation of power, maintenance and investment requirements. The viability report was given to our bankers for their review.

Approvals and Site Allotment

Upon approval of the techno-commercial viability report, the management carried out a detailed discussion with our project team. The project team ensured the implementation of project according to predefined timelines for on-time completion. The project team was supported by other functional team in executing their duties. Further, various approvals were taken from various central, state and other authorities. For details on the approvals that were taken for the project, please refer to the chapter titled *Government and Other Approvals* on page 204 of this Draft Red Herring Prospectus.

Construction and Commissioning

The construction activities were regularly monitored by the finance team to ensure that there were no cost overruns for the project. The architect and the civil contractors worked jointly to ensure various civil constructions like foundations, chimney and other civil works were casted and concretized keeping in mind the concerned load bearings. On completion of relevant foundations, the project team informed the concerned vendors for erection of the relevant plant at the foundation. All construction and erections of plants were supervised by the internal team and consultants and the project was then made ready for commissioning.

For our proposed Project, we intend to follow a process similar to the one outlined above.

Our 16 MW Plant

The construction of 16 MW Plant was commissioned in December 2010 and we expect to commission the plant from March 2012. The plant encompasses all machineries and equipments from reputed manufacturers in the industry as detailed below:-

Equipment	Boiler	Turbine	Air cooled condenser	Switchgear	Auxiliary cooling tower	RO & DM Plant	Fuel & ash handling system	Distribution Control system	DG Set
Make	Cheema Boilers Limited	Siemens India Limited	Gactel Turnkey Projects Limited	Areva T & D India Limited	Paharpur Cooling Towers Limited	Ion Exchange through M/s Fairdeal technologies Private Limited	OSM Engineering Private Limited	Honeywell India Private Limited	Caterpillar Incorporation
Capacity	80 TPH	16 MW	55 TPH/0.1 ata exhaust Pressure	132/11 KV	500m^3/hr	30m^3/hr	20TPH	2000 I/O	1000 KVA
Other paramet	Temperature	Temperature	-	Transformer	-	-	800/1000 mm	-	415 volts

Equipment	Boiler	Turbine	Air cooled condenser	Switchgear	Auxiliary cooling tower	RO & DM Plant	Fuel & ash handling system	Distribution Control system	DG Set
ers	rating: 515 degree Celsius Pressure rating: 87 kg/cm^2	rating: 510 degree Celsius Pressure rating: 85 kg/cm^2		Rating: 20 MVA, 132x11 KV			width		

The plant will run 24 hours a day for approximately 330 days in a year, thus running for 7,920 hours in a year. Initially, the plant will run at 85% of its installed capacity in the first 2 years and at 90% of the installed capacity thereafter.

Customers

2 MW of the power generated from the 16 MW Plant will be sold to UAL. This transaction is governed by a Memorandum of Understanding for Steam & Power Supply ("**MoU-SPS**") entered into between our Company and UAL and is valid for 10 years from the date of the commencement of power generation. According to this agreement, Usher Agro Limited will pay our Company a fixed tariff. However, we may decide to supply additional power to UAL, the terms and tariff of which will be decided at the time of the transaction.

We have also entered into a Power Purchase agreement ("**PPA**") with Tata Power Trading Company Limited ("**TPTCL**") for supply of upto 16 MW of power, the rate for which will be reviewed and fixed periodically. The PPA with TPTCL is valid for a period of 10 years and both these agreements, together, provide us with an increased visibility on the revenue stream and an assured off-take of the power generated.

Operations & Maintenance

We will employ a specialized and qualified internal operations and maintenance team. This team will carry out preventive maintenance in accordance with time lines prescribed under maintenance manuals provided by the respective plant manufacturers. This model will help us in providing uninterrupted supply of power to the grid as preventive maintenance will reduce occurrences of plant breakdowns, thus reducing loss of generation due to breakdown maintenance.

Clean Development Mechanism

Currently, our 16 MW Plant is under process of registration for CDM benefits under Kyoto protocol. M/s Ernst & Young are advising our Company in the registration process. We also intend to register our proposed Project for CDM and REC benefits.

Utilities

We will meet our water requirements from bore wells dug on the land on which our plant is located. Our power requirements will be fulfilled via auxiliary power from the 16 MW Plant as well as from the proposed Project.

Competition

Of late, the renewable energy space has become very competitive with Government thrust through economic incentives being a key driver. We mainly face competition on factors such as size, complexity and location of the project of other power producers, from wind mill, coal and hydro separately.
We primarily compete with other independent power producers. We also face competition from agro processing companies which mainly process agricultural produce and have captive power plants which are fuelled by waste generated out of the process. Most of these companies use the power generated for their captive consumption however, few of them sell the surplus power to the grid.

Intellectual Property

For further details please refer chapter titled "Government and Other Approvals" beginning on page 204 of this Draft Red Herring Prospectus.

Employees

As on February 2, 2012, we employ a work force of 30 full-time employees, out of which approximately 90% are skilled employees including engineers, technicians, accountants, etc. Our employees have a wide range of experience and expertise in respective fields. We believe that our relations with our employees are satisfactory.

Our Company believes in maintaining a good relationship with its employees. Our retention efforts include selecting the right people in our hiring process through adequate screening and through hiring individuals with relevant experience and skill set, providing opportunities for employees to share knowledge with one another through training sessions and presentations and offering an attractive, competitive salary and benefits package.

Corporate Social Responsibility

As on the date of filing this Draft Red Herring Prospectus, we are not carrying out any CSR activity as we are yet to generate revenue through commercial activity.

Insurance

We are insured against all risks associated with the construction of our 16 MW Plant. The risks usually covered are material damage due to fire, earthquake, machinery breakdown and loss of profit on account of machinery break down.

All our vehicles are adequately insured. We believe that the insurance coverage of our power plant is adequate and standard for the renewable energy industry in India.

Property

Our principal business headquarters are located at 424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053, Maharashtra We use this as our Registered and Corporate office through a Leave and License Agreement dated February 11, 2011, between Usher Oils and Foods Limited and our Company and is valid for a term of 5 years, with effect from February 11, 2011.

a) Freehold properties of our Company

We have certain freehold properties where we have setup our 16 MW Plant and our proposed Project would be located. The table below is a summary with details of the same:

Sr. No.	Name of Vendor(s)/ Donors	Description of Property	Agreement and date	Consideration	Stamp duty, Registration and comments
1.	Purchase property from Mrs. Vidyadevi, Mrs. Nirmal Agarwal and Mrs. Rukmanidevi	Total area of 0.9566 Hectare of agricultural land situated at Khata No 21, Khasra No. 630, Mauja Dautana, Tehsil Chhata, Mathura, Uttar Pradesh	Deed of Sale dated January 29, 2008	₹ 42,55,000	Stamped for ₹ 4,25,500 and registered
2.	Purchase of property from Mr. Saurabh Agarwal and Mrs. Renu Agarwal	Total area of 1.844 Hectare of agricultural land situated at Khata No 83, Khasra No. 155/1, Mauja Gauhari, Tehsil Chhata, Mathura, Uttar Pradesh	Deed of Sale dated March 18, 2008	₹ 82,02,000	Stamped for ₹ 8,20,200 and registered

Sr. No.	Name of Vendor(s)/ Donors	Description of Property	Agreement and date	Consideration	Stamp duty, Registration and comments
3.	Purchase of property from Mr. Saurabh Agarwal and Mrs. Renu Agarwal	Total area of 1.362 Hectare of agricultural land situated at Khata No 21, Khasra No. 630, Mauja Dautana, Tehsil Chhata, Mathura, Uttar Pradesh	Deed of Sale dated March 18, 2008	₹ 60,60,000	Stamped for ₹ 6,06,000 and is registered

b) Leave and License Property of our Company

We have a leave & license property for conducting our business. The property taken up by us on a leave and license basis is summarised below:

Sr. No.	Nature of Agreement	Description of Property	Purpose/Term	Rent / Security Deposit
1.	Leave and License Agreement dated February 11, 2011 between Usher Oils and Foods Limited and our Company	424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400053, Maharashtra.	Registered Office and Corporate Office for a term of 5 years with effect from February 11, 2011	Rent: ₹ 40,000 per month Security Deposit: NIL

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain relevant regulations and policies applicable to our Company's business as prescribed by the Central and State Governments in India. The information detailed in this chapter is not exhaustive and has been obtained from publications available in the public domain, and this section is only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details on government/statutory approvals obtained by our Company, please refer to the chapter titled "Government and Other Approvals" beginning on page 204 of this Draft Red Herring Prospectus.

BACKGROUND OF THE POWER SECTOR IN INDIA

Electricity, being an entry in the Concurrent List (Entry 38, List III) of the Seventh Schedule to the Constitution of India, is regulated by the Central Government and the State Governments. The electricity sector was liberalized in the 1990s permitting private participation in the generation of electricity by way of amendments in 1991 and 1998 to the Electricity (Supply) Act, 1948 (the "Supply Act"),opening generation to private sector and establishment of regional load dispatch centres ("**RLDCs**") and providing for private sector participation in transmission. Since then, several independent power plants (IPPs) have been set up by private players and power purchase agreements have been entered into with State Electricity Boards (SEBs) for sale of the power generated by such IPPs.

THE ELECTRICITY ACT, 2003 (THE "ELECTRICITY ACT"), THE ELECTRICITY (AMENDMENT) ACT, 2003 AND THE ELECTRICITY (AMENDMENT) ACT, 2007

Prior to 2003, the generation, transmission and supply of electricity were governed by the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998 ("**ERC Act**"). The ERC Act provided for the establishment of independent electricity regulatory commission both at the Central and State levels. These regulatory commissions were set up with the objective of rationalizing the prevailing electricity tariff regime and promoting and regulating the electricity industry in the country. The Electricity Act, 2003 (the **"Electricity Act"**) replaced the Indian Electricity Act, 1910, Electricity (Supply) Act, 1948 and the ERC Act and consolidated the laws relating to generation, transmission, distribution, trading and use of electricity and for taking measures conducive to the development of the electricity industry. Under the Electricity Act, transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, established under the Electricity Regulatory Commissions Act, 1998, unless exempted by the appropriate government in accordance with the provisions of the Electricity Act. The respective regulatory commissions determine and supervise the tariff for supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. The Electricity Act was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. The Central Government also announced a National Electricity Policy in 2005, to guide the development of the electricity sector in India. An appellate tribunal has been established under the Electricity Act to hear appeal against the decisions of the CERC and SERCs.

The salient features of the Electricity Acts are stated in brief below:

Licensing

The Electricity Act stipulates that no person can transmit or distribute or undertake trading in electricity, unless he is authorised to do so by a license issued under Section 14, or is exempt under Section 13 of the Electricity Act. The Electricity Act provides for transmission licensee, distribution licensee and licensee for electricity trading. There can be a private distribution licensee as well.

Generation

Under the Electricity Act, any generating company can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with grid. Approvals from the Central Government, State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are now permitted to sell electricity to any licensees and where permitted by the respective state regulatory commissions, to consumers. In addition, no restriction is placed on setting up of captive power plant by any consumer or group of consumers for their own consumption. Under the Electricity Act, no surcharge is required to be paid on wheeling of power from the captive plant to the destination of the use by the consumer. This provides financial incentive to large consumers to set up their own captive plants. Through an amendment in 2007, Section 9 was amended to state that no separate license is required for supply of electricity generated from the captive power plant to any licensee or the consumer.

The respective regulatory commissions determine the tariff for supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. The CERC has the jurisdiction over generating companies owned or controlled by Central Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one state.

Transmission

The CERC, by a notification dated May 25, 2010, issued the CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) (Amendment) Regulations, 2010. It provides, *inter alia,* that unless a transmission license is revoked earlier, it will continue to be in force for a period of 25 years from the date of issue. In addition, every transmission licensee is required to obtain a license from the CERC and the respective SERCs, as the case may be. Transmission licensees are to comply with grid standards prescribed by the CEA. CEA is required to prescribe certain grid standards under the Electricity Act and every transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. Every transmission licensee is required to obtain a transmission license from the Central Electricity Regulatory Commission ("**CERC**") or the State Electricity Regulation Commission ("**SERC**"), as may be applicable.

The Electricity Act requires the Central Government to designate one government company as the central transmission utility ("**CTU**") and the respective state governments are to designate one government company as the state transmission utility ("**STU**"). The CTU and the STUs are deemed to be transmission licensees. The CTU and STUs are primarily responsible for the transmission of electricity, the planning and co-ordination of the transmission system, providing a non-discriminatory open-access system to any user and developing a coordinated, efficient and integrated inter-state and intra-state transmission system respectively.CTU and STUs are prohibited from engaging in the generation and/or trading of electricity.

Under the Electricity Act, the Government of India was empowered to establish the National Load Dispatch Centre ("**NLDC**") and RLDCs for optimum scheduling and dispatch of electricity among the RLDCs. The RLDCs are responsible for (a) optimum scheduling and dispatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region; (b) monitoring grid operations; (c) keeping accounts of the quantity of electricity transmitted through the regional grid; (d) exercising supervision and control over the inter-state transmission system; and (e) carrying out real time operations for grid control and dispatch of electricity within the region through secure and economic operation of the regional grid in accordance with the grid standards and grid code.

The transmission licensee is, amongst other things, required to comply with the technical standards of operation and maintenance of transmission lines as specified by CEA, directions of the RLDC and SLDC, building maintaining and operating an efficient transmission system, providing non-discriminatory open access to its transmission system for use by any licensee or generating company on payment of transmission charges and surcharge in accordance with the Electricity Act.

Open access has been granted to IPPs subject to availability of adequate transmission capacity as determined by the CTU/STUs. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central / State Transmission Utility. The Act also lays down provisions for Intra State Transmission, where state commission facilitate and promote transmission, wheeling and inter-connection arrangements within its territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity.

The CERC has, by a notification dated August 7, 2009, issued the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009, as amended by CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in Inter-State Transmission and related matters) (Amendment) Regulations, 2010, dated

September 3, 2010, which apply to the grant of connectivity, long-term access and medium term open access, in respect of inter-state transmission system. Further, the nodal agency for the grant of connectivity, long-term and medium-term open access to the interstate transmission system is the Central Transmission Utility. The CERC has also notified the CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 which came into force from January 1, 2011.

The CERC, has by notification dated September 28, 2010, issued the CERC (Regulation of Power Supply) Regulations, 2010. These regulations apply to the generating station and the transmission system where there is a specific provision for regulation of power supply in case of non-payment of outstanding dues or non maintenance of letter of credit or any other agreed payment security mechanism in the agreement between any person who has been allocated electricity or being supplied electricity generated from a generating station through long term access or medium-term open access or a user of a transmission system of a transmission licensee and generating company or the transmission licensee as the case may be. This regulation provides *inter alia* that in the event there are outstanding dues, or default of payment schedule, the generating company or the transmission licensee, as the case may be, may serve a notice for regulation of power supply, on the defaulting entity, for reducing the drawal schedule in the case of the generating company or withdrawal of open access/access to inter-state transmission system in the case of the transmission licensee.

The CERC by notification dated September 23, 2010, issued CERC (Rates, Charges and Terms and Conditions for use of Intervening Transmission Facilities) Regulations, 2010. This regulation applies where *inter alia* the contracting parties have failed to mutually agree on the rates and charges for the usage of such intervening transmission facilities. This regulation contains the model terms and conditions and the rates and charges specified in these regulations shall be the ceiling rates and charges and the parties may negotiate the rates and charges and the terms and conditions within the broad framework laid down under the aforementioned regulation.

Trading

Trading (purchase of electricity for resale) for both wholesale and retail supply has been made a licensed activity. A distribution licensee can undertake distribution, trading and retail supply through one license. The license to trade in electricity is granted by the relevant electricity regulatory commission. The CERC, by notification dated February 16, 2009, issued the CERC (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2009 as amended (the "Trading License Regulations") to regulate the inter-state trading of electricity. The Trading License Regulations define inter-state trading as transfer of electricity from the territory of one state for resale to the territory of another state and includes electricity imported from any other country for resale in any state in India. The criteria for licensing include capital adequacy and technical parameters. The electricity regulatory commissions have the power to determine the ceiling on trading margins in intra-state trading of electricity.

In terms of the Trading License Regulations, any person desirous of undertaking inter-state trading in electricity shall make an application to the CERC for the grant of license. The Trading License Regulations set out various qualifications for the grant of license for undertaking electricity trading, including certain technical and professional qualifications and net worth requirements. An applicant is required to publish notice of his application in daily newspapers to facilitate objections, if any, to be filed before CERC. Further, a licensee is subject to certain conditions including the extent of trading margin, maintenance of records and submission of auditors' report. The existing licensees were required to meet the net worth, current ratio and liquidity ratio criteria within a period up to March 31, 2010 and are required to pay license fee as specified by the CERC, from time to time. By virtue of the CERC (Procedure, Terms and Conditions for grant of license and other related matters) (First Amendment) Regulations, 2010, the existing licensees have been reclassified. The eligibility criteria include norms relating to capital adequacy and technical parameters. However, the NLDC and RLDC, Central and State Transmission Utilities and other transmission licensees are not allowed to trade in power. The relevant electricity regulatory commissions also have the right to fix a ceiling on trading margins in intra-state trading.

The CERC has, by a notification dated January 11, 2010, issued the CERC (Fixation of Trading Margin) Regulations, 2010 (the "**CERC Trading Margin Regulations** ") in relation to the short term buy-short term sell contracts for the inter-state trading in electricity undertaken by a licensee. The CERC Trading Margin Regulations state that the licensee shall not charge trading margin exceeding seven paise/kWh in case the sale price is exceeding Rupees three/kWh and four paise/kWh where the sale price is less than or equal to Rupees three/kWh. This margin shall include all charges, except the charges for scheduled energy, open access and transmission losses. The trading margin shall be charged on the scheduled quantity of electricity. The trading margin specified above however, shall be the cumulative value of the trading margin charged by all the traders involved in the chain of transactions between the generator and the ultimate buyer, *i.e.*, trading margin in case of multiple trader to trader transactions shall not exceed the ceiling trading margin specified under the CERC Trading Margin Regulations.

Distribution and Retail Supply

Distribution is a licensed activity and distribution licensees are allowed to undertake trading without any separate license. Under the Electricity Act, no license is required for the purposes of supply of electricity. Thus, a distribution licensee can undertake three activities: trading, distribution and supply through one license. The distribution licensee may, with prior permission of the appropriate commission, engage itself in any other activities for optimal utilization of its assets.

Rural Areas

The licensing requirement does not apply in cases of generation and distribution of electricity in rural areas notified by the State Government, subject to compliance with the requirements specified by the CEA such as protecting the public from dangers involved, eliminating/reducing the risks of injury, notify accidents and failures of transmission and supplies of electricity. It shall also be required to comply with system specifications for supply and transmission of electricity. The Electricity Act mandates formulation of national policies governing rural electrification and local distribution and rural off-grid supply including those based on renewable and other non-conventional energy sources. This policy initiative is expected to give impetus to rural electrification and also conceptualize rural power as a business opportunity.

NATIONAL ELECTRICITY POLICY (NEP)

The NEP was notified by the Central Government on February 12, 2005, in compliance with Section 3 of the Electricity Act, 2003. The policy seeks to address the following issues:

- Rural Electrification
- Generation
- Transmission
- Distribution
- Recovery of Cost of services & Targeted Subsidies.
- Technology Development and Research and Development (R&D)
- Competition aimed at Consumer Benefits
- Financing Power Sector Programmes Including Private Sector Participation.
- Energy Conservation
- Environmental Issues
- Training and Human Resource Development
- Cogeneration and Non-Conventional Energy Sources
- Protection of Consumer interests and Quality Standards

Section 5.2.20 of the NEP calls for the utilizing the potential of non-conventional energy resources, mainly small hydro, wind and bio-mass would also need to be exploited fully to create additional power generation capacity. With a view to increase the overall share of non-conventional energy sources in the electricity mix, efforts will be made to encourage private sector participation through suitable promotional measures.

With respect to the transmission of electricity, the NEP recognizes the need to augment the transmission capacity in view of the increase planned in generation. The NEP places the responsibility on the CTU for the national and regional transmission system planning and development and on STU for the intra-state transmission system. The CTU is required to coordinate with the STUs for eliminating transmission constraints in a cost-effective manner. The NEP stipulates that the network expansion should be planned and implemented keeping in view the anticipated transmission demands on the transmission system in the open access regime. It further states that the prior agreement with the beneficiaries would not be a pre-condition for network expansion and the CTU and STU should undertake network expansion after identifying the requirements in consultation with stakeholders and after taking due regulatory approvals.

The NEP also recommends the creation of certain special mechanisms to encourage private investment in the transmission sector in order to meet the objective of 'Power for all by 2012'.

Modes of Participation in Power Projects

In October 1991, the Government of India announced major policy reforms widening the scope of private sector participation in power generation. The two modes of participating in power projects are:
(i) the MoU route; or
(ii) the bidding route.

MoU Route

The MoU route involves negotiations between SEBs and the developer. The MOU route is based on a cost plus approach, with the cost determination usually involving the following:

- determination of receivables of capital cost. The capital costs are required to be approved by the CEA;
- approval of interest rates and local and foreign debt;
- finalizing the term of loans and/or other debt;
- finalizing the extent of foreign exchange protection;
- fixing operating parameters within the prescribed ceilings;
- identifying deemed generation provisions;
- evaluating the extent of dispatchability;
- evaluating the level of incentive payments;
- identifying change in law in terms of taxation or any other matter;
- identifying the extent of working capital permissible;
- evaluating the premium on fuel prices for assured supply;
- identifying fuel supply and transportation risk and issues;
- evaluating escalations in operation and maintenance and insurance expenses permissible;
- evaluating the extent of maintenance of spares permissible; and
- rebates in respect of prompt payment.

The MoU route with a cost plus approach was initially adapted to attract investment. However, there were several complexities in calculating the above costs despite the capital cost of the project being frozen by the CEA. Under the Electricity Act, the CEA does not have the power to determine capital cost for the projects anymore and the requisite filings for approval of capital cost and tariff are with the regulatory commissions.

Bidding Route

Bidding is based on the bulk power tariff structure. As noted, under the Electricity Act, the regulatory commission is required to adopt a bid-based tariff, although the bidding guidelines permit the bidding authority to reject all price bids received. The tariff structure recommends bid evaluation on the basis of levelised tariff for fixed cost components, escalable and non-escalable costs and certain operational parameters such as heat rate, auxiliary consumption, etc. Under the bidding route, the IPP sells its entire output to SEBs and does not trade directly. The revenue from operations of the IPPs under the bidding route is divided into two streams:

- the fixed or capacity charge covering the payment received by the IPP for the generating capacity available to the SEB (irrespective of the actual dispatch by the SEB). This fixed or capacity charge also comprises components in respect of foreign exchange risk; and
- the variable or energy charge, which comprises the fuel cost for the electricity generated and purchased by the SEB at actuals. The fuel cost is calculated on the heat rate over the life of the power project and the cost of the fuel.

The bidding guidelines envisage a two-step process – pre-qualification and final bid. Bidders are required to submit a technical and financial bid at the RFP stage. Increasingly, the trend is to have all purchase of power and distribution licenses through competitive bids. The Tariff Policy, 2006 requires that all procurement of power after January 6, 2006 (except for PPAs approved or submitted for approval before January 6, 2006 or projects whose financing has been tied up prior to January 6, 2006) by distribution licensees has to be through competitive bidding. Some state regulators have, however, continued to purchase power under the MoU route, stating that the Tariff Policy is merely indicative and not binding.

Standards of Performance

The appropriate commission can set the standards of performance applicable to each licensee or class of licensees. A licensee failing to meet the performance standards may have to pay compensation to the person affected by such failure. The licensees are required to submit information about their performance to the appropriate commission and the appropriate commission shall arrange to publish such performance-related information at least once a year.

RENEWABLE ENERGY CERTIFICATES MECHANISM

Under the powers vested in the **CERC** under sub-section (1) of Section 178 and Section 66 read with clause (y) of sub-section (2) of Section 178 of the Electricity Act, 2003, the CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 ("**REC Regulation**") was enacted which governs the mechanism of the issuance of the Renewable Energy Certificates ("**REC**") and their transferability and saleability in India.

The CERC designates an agency as the Central Agency which performs the following functions:

1. Registration of eligible entities;
2. Issuance of certificates;
3. Maintaining and settling accounts in respect of certificates; and
4. Repository of transactions in certificates.

The Central Agency also issues the procedure for registration of eligible entities, verification of generation of electricity, issuance of certificates and incidental matters.

The RECs are of two categories:

1. Solar certificates issued to eligible entities for generation of electricity based on solar as renewable energy source, and
2. Non-solar certificates issues to eligible entities for generation of electricity based on renewable energy sources other than solar.

These RECs are sold to the obligated entities to enable them to meet their renewable purchase obligation for solar and non-solar purchase obligations. A generating company engaged in generation of electricity from renewable energy sources is eligible to apply for registration for issuance of and dealing in RECs and must fulfil the conditions enumerated in the REC Regulation. The Central Agency also holds powers to revoke the registration in accordance with the procedure laid down in the REC Regulation. The eligible entities are required to apply to the Central Agency for RECs within 3 months after corresponding generation from eligible renewable energy projects and the application for issuance of RECs must be made on a fortnightly basis thereafter. These RECs are issued to the eligible entity on the basis of the units of electricity generated from renewable energy sources and injected into the grid. The process of certifying the energy injection is stipulated in the detailed procedures that are issued by the Central Agency.

Each REC issued represents one Megawatt hour of Electricity generated from renewable energy source and injected into the grid. The REC Regulation mandates that the RECs must be dealt only through the Power Exchange and not in any other manner. The RECs issued by the Central Agency must be placed for dealing in any of the Power Exchanges as the REC holder may so deem appropriate and such RECs shall be available for dealing in accordance with the rules of such Power Exchange. These Power Exchanges must obtain prior approval of the CERC on the rules and its byelaws including the mechanism for discovery of price of the RECs in the Power Exchange. These RECs once issued shall remain valid for a period of 365 days from the date of the issuance of such REC. The REC remains valid for the said period even though the entity who was issued the REC fails to maintain its accreditation criteria on a later date. Once the REC has been exchanged by way of sale and purchase in the Power Exchange, it shall be deemed to have been extinguished. The CERC shall levy one-time registration fee, annual fee and transaction fee along with charges for the issuance and dealing in the REC.

RENEWABLE ENERGY REGULATIONS AND POLICIES IN INDIA

Realising the need for concentrated efforts in the renewable and non-conventional energy resources, the Government of India established a Commission for Additional Sources of Energy ("**CASE"**) in the Department of Science and Technology, in 1981. The mandate of CASE was to promote research and development activities in the field of renewable energy. CASE was formally incorporated in 1982, in the then newly created Department of Non-conventional Energy Sources ("**DNES**"). In 1992 DNES became the Ministry for Non-conventional Energy Sources, and was re-christened as the Ministry of New and Renewable Energy, in October 2006. This, at present, is the nodal ministry under the Government of India, responsible for all matters relating to policy and program initiatives in furtherance of encouragement of renewable energy resources. The broad aim of the Ministry is to develop and deploy new and renewable energy for supplementing the energy requirements of the country.

The Ministry of Non-conventional Energy Sources, in 1993 prepared policy guidelines for promotion of power generation from renewable energy sources which included provisions such as accelerated depreciation, concessions regarding the banking, wheeling and third party sale, among others. Some of the salient features of this policy guideline are - buy back price of ₹ 2.25 per kWh with 5% annual escalation, with 1993 as base year, concessions regarding the banking, wheeling and third party sale and fiscal incentives like allowing 100% accelerated depreciation for renewable energy projects were also given. The Ministry of Non-conventional Energy Sources guidelines were valid for a period of 10 years.

In 1993, the Ministry of Non-conventional Energy Sources appointed the task force and recommended thrust on bagasse based cogeneration. The National Programme on Bagasse based Co-generation, launched in 1994, provided for:

i) the subsidies for specific demonstration projects,
ii) support for R&D activities, and
iii) support for training, awareness activities, and publicity.

The Ministry has been implementing a scheme for promotion of Grid Interactive Power Generation Projects based on Renewable Energy Sources which includes projects based on biomass. The programme also initiated a grid connected biomass gasification R&D-cum- Demonstration project of 500 Kilo Watt (KW) capacity. In last 15 years, a cumulative capacity of 2633 MW has been commissioned, which comprises of 1636 MW Bagasse Cogeneration Projects and 997 MW of Biomass Combustion Projects. The States which have taken a leadership position in implementation of biomass power projects are Andhra Pradesh, Karnataka, Tamil Nadu, Chhattisgarh, Maharashtra, Punjab and Rajasthan. The capacity of grid connected Biomass Power Project varies from 8-12 MW.

There is capital subsidy, exemption from payment of excise duty on machineries and equipments purchased for initial setting up of a power plant that are available. Apart from this Clean Development Mechanism Benefits on Reduction of Certified Emotion Reductions and Preferential tariff for power exported to grid are also available for biomass power projects.

One ground for justifying the capital subsidy and financial support is that the capital cost of cogeneration plant is too high, almost equivalent to the cost of a new sugar mill. Besides, there is little institutional support for getting economic tariffs for the surplus cogenerated electricity. The programme was modified in August 1995 and subsequently in September 1996 to attract sugar mills in the co-operative and public sector. The important features of the programme are:

1) Demonstration scheme provides a subsidy up to ₹ 600 lacs per project for 12 projects. The co-operative and public sector units are offered additional benefits of 200 lacs per Mega Watt (MW) of surplus power comprising of subsidies and soft loans.
2) Interest subsidy Scheme which provides grants up to ₹ 35 lacs per MW of surplus power to financial institutions for them to reduce the interest rates on loans.
3) Support to R&D Projects which contribute to enhancement of power potential.
4) Indirect Programmes, like awareness activities such as seminars and business meets in sugar producing centres funded and run by MNES, technical support like making available services

of international experts and organizing interaction meetings among the stakeholders like state governments, utilities, financial institutions, manufacturers, consultants and project parties.

5) International support such as :
   - $ 12.5 million USAID/GEF project for promotion of alternative biomass use in co-generation using off-season and
   - an ADB line of credit of $ 100 million.

The 11th Five Year Plan (2007-2012)

The programs proposed under this plan include:

1. Grid interactive and distributed renewable power
2. Renewable energy for rural applications
3. Renewable energy for Urban, Industrial & Commercial Applications;
4. Research, Design & Development for New & Renewable Energy;; and
5. Supporting Programmes.

All Research Design and Development activity is also proposed to be brought under a single umbrella programme. All Research Design and Development activity is also proposed to be brought under a single umbrella programme.

The Integrated Rural Energy Programme ("**IREP**") was initiated in the Planning Commission during 7th Plan and was transferred to MNRE in 1994-95. Support was/ has been extended under this programme for preparation of state/ district level energy plans, limited extension of renewable energy systems/ devices, establishment of 5 regional training centres, and staff salaries/ administrative expenses at the state / district / block levels. It was decided to continue this programme upto 10th Plan where after the same was to be merged with any existing programme, from the 11th Plan onwards. Since this extension programme has already demonstrated its objectives, a provision for only 10th Plan spill-over liabilities is being proposed.

It has been seen that subsidy for biomass power is sought to be supported only where sustainability of biomass supplies can be demonstrated since there have been apprehensions about over drawl of forest resources with fuel wood so obtained being diverted for some such projects. Further, biomass ceases to be renewable unless a project can demonstrate its sustainability by showing that at least 50 per cent of fuel-wood requirement would come from dedicated plantations, specially raised for the purpose.

Fiscal Benefits

The Indian Renewable Energy Development Agency has been set up under Ministry for Non-Conventional Energy Sources and is a specialized financing agency to promote and finance renewable energy projects, like the following:

- Income tax breaks
- Accelerated depreciation
- Custom duty/duty free import concessions
- Capital/Interest subsidy
- Incentives for preparation of Detailed Project Reports (DPR) and feasibility reports

INDIAN ENERGY EXCHANGE FOR ONLINE TRADING IN ELECTRICITY

Indian Energy Exchange ("**IEX**") is India's first nationwide, automated, and online electricity trading platform. The exchange is planned to be operational in 2008. Approved by CERC on August 31, 2007, the exchange would enable efficient price discovery and price risk management in the electricity market besides providing benefits like transparency and cost efficiency to its members. In February 2007, the CERC issued guidelines for grant of permission to set up power exchanges in India. The exchange is conceived to act as a catalyst for modernisation of electricity trade in the country by ushering in a transparent and neutral market through technology-enabled electronic trading platform.

INDIAN BOILER ACT 1923 AND INDIAN BOILER REGULATIONS, 1950

The Indian Boiler Act, 1923 and Indian Boiler Regulation, 1950 covers all aspects of registration, permission, inspection for manufacture and utilization of steam boilers in India. A owner of a boiler to register the boiler under the Indian Boiler Act. On receipt of such application the inspector shall visit to inspect the boiler and determine if it meets the necessary standards and will submit a report to the chief inspector. Based on the report, the chief inspector shall issue the certificate of registration.

KYOTO PROTOCOL AND CARBON CREDITS

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing GHG that cause climate change. The Kyoto Protocol was agreed on December 11, 1997 at the third conference of the parties to the treaty when they met in Kyoto, and entered into force on February 16, 2005. India ratified the Kyoto Protocol on August 22, 2006.

The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol. Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes “flexible mechanisms” which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances.
Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- Verified Emission Reduction (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation (JI) for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfil the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

REGULATIONS FOR FOREIGN INVESTMENT

Indian Foreign Investment Regulations

General

Foreign investment in Indian securities is regulated by the Foreign Exchange Management Act, 1999 and the rules, regulations and notifications ("**FEMA**") issued by the RBI under FEMA. A person resident outside India can transfer any security of an Indian company or any other security to an Indian resident only in accordance with the terms and conditions specified in FEMA or as permitted by the RBI or the Indian Government through the Foreign Investment Promotion Board ("**FIPB**"). The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended (the "**FEM Securities Regulations**") governs the issue of Indian securities to persons resident outside India and the transfer of Indian securities by or to persons resident outside India.

The FEM Securities Regulations provide that an Indian entity may issue securities to a person resident outside India or record in its books any transfer of security from or to such person only in the manner set forth in FEMA and the rules and regulations made thereunder or as permitted by the RBI.

Foreign direct investment

Foreign direct investment means investment by non-resident entity/person resident outside India in the capital of the Indian company under Schedule 1 of FEM Securities Regulations ("**Foreign Direct Investment**" or "**FDI**"). The Indian Government, pursuant to its liberalization policy, set up the FIPB to regulate together with the RBI, all FDI into India.

The Indian Government has from time to time made policy pronouncements on FDI through press notes and press releases. Recently, the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), issued Circular 2 of 2011 (“**Circular 2 of 2010**”), which, with effect from October 1, 2010, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP (“**Consolidated FDI Policy**”). The

Government proposes to update the consolidated circular on FDI policy every six months and therefore, Circular 2 of 2011 is valid until the DIPP issues an updated circular on March 31, 2012.

Subject to certain conditions and exceptions, FDI in most sectors does not require prior approval of the FIPB, or the RBI, if the percentage of equity holding by all foreign investors does not exceed any specified sector threshold. These conditions include certain minimum pricing requirements, compliance with the Takeover Code, and ownership restrictions based on the nature or origin of the foreign investor.

FDI upto 100% is permitted under the automatic route for (i) generation and transmission of electric energy produced in-hydro electric, coal/lignite based thermal, oil based thermal and gas based thermal power plants, (ii) non-conventional energy generation and distribution, (iii) distribution of electric energy to households, industrial, commercial and other users, and (iv) power trading.

A non-resident entity (other than a citizen of Pakistan or an entity incorporated in Pakistan) can invest in India, subject to the policy laid down for FDI. A citizen of Bangladesh or an entity incorporated in Bangladesh can invest in India under the policy laid down for FDI, only under the Government route. Non resident Indian resident in Nepal and Bhutan as well as citizens of Nepal and Bhutan are permitted to invest in the capital of Indian companies on repatriation basis, subject to the condition that the amount of consideration for such investment shall be paid only by way of inward remittance in free foreign exchange through normal banking channels.

An FII may invest in the capital of an Indian company under the portfolio investment scheme which limits the individual holding of an FII to 10% of the capital of the company and the aggregate limit for FII investment to 24% of the capital of the company. This aggregate limit of 24% can be increased to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned through a resolution by its board of directors followed by a special resolution to that effect by its general body of shareholders. The aggregate FII investment, in the FDI and portfolio investment scheme, should be within the above caps.

Investment by Foreign Institutional Investors

The FEM Security Regulations enable foreign institutional investors registered with SEBI, including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/institutional portfolio managers ("**Foreign Institutional Investors" or "FIIs**"), to make portfolio investments in all securities of listed companies in India. Investments by registered Foreign Institutional Investors or individuals of Indian nationality or origin residing outside India ("**Non-Resident Indians**") made through a stock exchange are known as portfolio investments. FIIs wishing to invest and trade in Indian securities in India under the FEM Securities Regulations are required under the SEBI (Foreign Institutional Investors) Regulations 1995 ("**FII Regulations**") to register with SEBI and obtain a general permission from the RBI. However, since SEBI provides a single window clearance, a single application must be made to SEBI.

Foreign investors are not necessarily required to register with SEBI under the FII Regulations as FIIs and may invest in securities of Indian companies pursuant to the Foreign Direct Investment route discussed above.

FIIs that are registered with SEBI must comply with the provisions of the FII Regulations. A registered FII may buy, subject to the ownership restrictions discussed below, and sell freely on the stock exchange, securities issued by any Indian company, realise capital gains on investments made through the initial amount invested in India, subscribe to or renounce rights offerings for shares, appoint a domestic custodian for custody of investments made and repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights offerings of shares. No single FII can hold more than ten per cent of the post-issue total paid-up equity capital of a company. In respect of an FII investing in the shares on behalf of each sub-account shall not exceed ten per cent of the total paid-up equity capital of the company or five per cent of the total paid-up equity capital of a company, in case such sub-account is a foreign corporate or a foreign individual and provided that such investment is made out of funds raised or collected or brought from outside through normal banking channels and the investment shall also not exceed the overall ceiling specified for FIIs.

The total holding of all FIIs in a company is subject to a cap of 24% of the total issued capital of a company which can be increased up to the percentage of the relevant sectoral cap on FDI in respect of such company with the passing of a special resolution by the shareholders of the company in a general meeting.

Under the RBI Notification Number FEMA 20/2000-RB dated May 3, 2000 (as amended from time to time), a registered FII is permitted to purchase shares/convertible debentures of an Indian company through public offer/private placement, subject to the FII limits stipulated therein.

Regulation 15A of the FII Regulations provides that an FII may issue, or otherwise deal in, offshore derivative instruments (an offshore derivative instrument is defined as an instrument, by whatever name called, which is issued overseas by an FII in respect of securities held by it that are listed or proposed to be listed on any recognised stock exchange in India (all such offshore derivative instruments referred to herein as "P-Notes"), directly or indirectly, only in the event (i) such P-Notes are issued only to persons that are regulated by an appropriate foreign regulatory authority; and (ii) such P-Notes are issued in compliance with 'know your client' ("**KYC**") requirement. An FII shall ensure that no further issue or transfer is made of any offshore derivative instruments issued by or on behalf of it to any person other than a person regulated by an appropriate foreign regulatory authority. Sub-accounts of FIIs are not permitted to issue P-Notes.

ENVIRONMENTAL LAWS

The Environment (Protection) Act, 1986 (the "EPA")

The EPA is umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for *inter alia*, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to 100,000 or imprisonment of up to five years, or both.

There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the CPCB and the state pollution control boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the state pollution control board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The CPCB has powers, *inter alia*, to specify and modify standards for streams and wells, while the state pollution control boards have powers, *inter alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the state pollution control board.

Under the Air Act, the CPCB has powers, *inter alia*, to specify standards for quality of air, while the state pollution control boards have powers, *inter alia*, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 (the "Hazardous Waste Rules")

The Hazardous Waste Rules superseded the Hazardous Waste (Management and Handling) Rules, 1989 and regulate the handling, storage, treatment, recycling, import, export, packing, labelling and transportation of specified hazardous wastes. The rules *inter alia* apply to an occupier, that is, any person who has control over the factory or premise which produces any waste which by reason of its characteristics is likely to cause danger to health or environment. Under the Hazardous Waste Rules, the occupier is responsible for safe and environmentally sound handling of hazardous wastes which are generated in its establishment. Every person engaged in generation, processing, treatment and handling of hazardous wastes is required to obtain authorization under the rules from the relevant state pollution control board. The state pollution control board is empowered to cancel or suspend an authorization issued in the event the occupier fails to fulfil the conditions of the authorization or with any provisions of the Environment Protection Act, 1986. Our Company is required to obtain and maintain statutory clearances relating to pollution control and environment in relation to its power projects.

LABOUR LAWS

The Factories Act, 1948, as amended (the "Factories Act")

The Factories Act defines a 'factory' to be any premise which employs or employed on any day in the previous twelve months, ten or more workers and in which a manufacturing process is being carried on with the aid of power or any premises where there are or were in the previous twelve months, at least twenty workers working even though there is no manufacturing process being carried on with the aid of power'. State Governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.
The Factories Act provides that the occupier of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers_ health and safety, cleanliness and safe working conditions.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA Act**") requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour. The CLRA Act places an obligation on the principal employer of an establishment to which the CLRA Act applies to make an application for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued.

To ensure the welfare and health of contract labour, the CLRA Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities, provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. A person in contravention of the provisions of the CLRA Act may be punished with a fine or imprisonment, or both.

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("EPF Act")

The EPF Act provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above. Further, the employer is required to maintain records and submit periodic returns with regard to the implementation of the Act and Schemes.

Employees State Insurance Act, 1948 (the "ESI Act")

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. It applies to, *inter alia*, seasonal power using factories employing ten or more persons and non-power using factories employing 20 or more persons. Every factory or establishment to which the ESI Act applies is required to be registered in the manner prescribed in the ESI Act.

The Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 (the "**WC Act**") aims at providing financial protection to employees (for their dependants in the event of fatal accidents) by means of payment of compensation by the employers, if personal injury is caused to them by accidents arising out of and in the course of their employment. The WC Act makes it obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments/Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (the "**Act**") is enacted to regulate the period and payment of wages, overtime wages and deductions from wages and also to regulate the working hours, overtime, weekly holidays of certain classes of employed persons. The Act contains provisions as to the minimum wages that are to be fixed by the appropriate governments for the employees, entitlement of bonus of the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

The Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961("**Maternity Benefit Act**") provides that a woman who has worked for at least 80 days in the 12 months preceding her expected date of delivery is eligible for maternity benefits. Under the Maternity Benefit Act, a woman working in a factory may take leave for six weeks immediately preceding her scheduled date of delivery and for this period of absence she must be paid maternity benefit at the rate of the average daily wage. The maximum period during which a woman shall be paid maternity benefit is 12 weeks. Women titled to maternity benefit are also titled to medical bonus of ₹ 250. Contravention of the Maternity Benefit Act is punishable by imprisonment up to one year and/ or a fine up to ₹ 5,000.

The Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government.
Workmen are required to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term of up to six months or a fine up to ₹ 500 or both.

State specific Shops and Commercial Establishments Acts as applicable

Under various state laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and has to comply with certain rules laid down therein. These statutes and rules and regulations framed thereunder regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages, maintenance of records and registers by the employers, among others.

TAX LAWS AS APPLICABLE

Value Added Tax

Value Added Tax ("**VAT**") is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

Sales Tax

The tax on sale of movable goods within India is governed by the provisions of the Central Sales Tax Act, 1956 or relevant state law depending upon the movement of goods pursuant to the relevant sale. If the goods move inter-state pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, when the taxability of an arrangement of sale of movable goods which does not contemplate movement of goods outside the state where the sale is taking place is determined as per the local sales tax/VAT legislations in place within such state.

LAWS RELATING TO INTELLECTUAL PROPERTY

The Trademarks Act, 1999, the Patents Act 1970 and the Copyright Act, 1957 *inter alia* govern the law in relation to intellectual property, including patents, copyrights, trademarks, service marks, brand names, trade names and research works.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated a public limited company in the name of Usher Eco Power Limited under the Companies Act, 1956 *vide* Certificate of incorporation dated July 20, 2007 issued by the Registrar of Companies, Maharashtra at Mumbai bearing CIN U40102MH2007PLC172552. The Registered Office of our Company is situated at 424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053, Maharashtra.

Our Company is promoted by Usher Agro Limited, Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi. As on date, our Company is a subsidiary of Usher Agro Limited, which is listed on BSE and NSE.

Our Company is in the business of power generation using eco friendly paddy husk as raw materials. It has already set up an eco-friendly paddy husk fired 16 MW Plant which is expected commence commercial production from March 2012. The biomass power project of 16 MW capacity primarily utilises paddy husk as feed stock. We have entered into Raw Material Supply Agreement on September 26, 2008 ("**RMSA**"), where in Usher Agro Limited shall supply eco friendly rice husk for its power plant. However, other biomass fuel like baggasse are also be used as feedstock. Both paddy husk and bagasse is available in and around Mathura, Uttar Pradesh. The 16 MW Plant has been constructed at an already acquired land admeasuring 4.16 hectares in Tehsil Chhata, Mathura, Uttar Pradesh. For details relating to the RMSA, refer to chapter titled "*Our Business*" beginning on page 92 of this Draft Red Herring Prospectus.

Further we are in the process of setting up of 18 MW cogeneration power plant. For details relating to our proposed projects, please refer to chapter titled *"Our Business"* beginning on page 92 of this Draft Red Herring Prospectus.

Changes in the Registered Office

At the time of incorporation, the registered office of our Company was situated at 212, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400053, Maharashtra. With effect from February 11, 2011, the Registered Office of our Company has been shifted to its current address situated at 424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053, Maharashtra. The change was undertaken to facilitate administrative convenience.

Major Events:

YEAR	KEY EVENTS
2009	Entered into Power Purchase Agreement with Tata Power Trading Company Limited to sell power generated from 16 MW Plant situated at Tehsil Chhata, Mathura, Uttar Pradesh.
2010	Sanctioning of External Commercial Borrowing from Axis Bank for a sum of USD 13.25 million for the 16 MW Plant.
	Entered into Technology Transfer Agreement with Advanced Bio-residue Energy Technologies Society to use the technology using IPSIT process to manufacture precipitated silica rice from rice husk ash.

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of Power Stations and Projects, transmission, distribution and sale of power, power development, ancillary and other allied industries and for that purpose to install, operate and manage all necessary plant, establishments and works.

2. To undertake the business of other allied / ancillary industries including those for utilization / sale / supply of steam and ash generated at power stations, and other by-products and to do the deal-in supply, install, operate, and manage all necessary plants, items of equipment, cables, wires, lines,

establishments and other works related to Energy and other forms of Energy services like Project Management, Project Advisory services.

3. To carry on business of manufacturing, producing, processing, generating, accumulating, distributing, transferring, preserving, mixing, supplying, contracting, as consultants, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockists, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators for merchandising, marketing managing, leasing, renting, utilizing of electricity, steam, power, solar energy, wind energy, biomass energy, geothermal energy, hydel energy, tidal and wave energy, and other conventional, non-conventional and renewal energy sources, waste treatment plants of all kinds and equipment thereof in India and outside India.

Changes in Memorandum of Association

Sr. No.	Date of shareholder's approval	Details of Change
1.	March 25, 2008	Increase in authorised share capital from ₹ 1,00,00,000 comprising of 10,00,000 Equity Shares of ₹ 10 each to ₹ 6,00,00,000 comprising of 60,00,000 Equity Shares of ₹ 10 each.
2.	June 27, 2008	Increase in authorised share capital from ₹ 6,00,00,000 comprising of 60,00,000 Equity Shares of ₹ 10 each to ₹ 25,00,00,000 comprising of 2,50,00,000 of ₹ 10 each.
3.	September 30, 2011	Increase in authorised share capital from ₹ 25,00,00,000 comprising of 2,50,00,000 Equity Shares of ₹ 10 each to ₹ 50,00,00,000 comprising of 5,00,00,000 Equity Shares of ₹ 10 each.

Other details regarding our Company

For details regarding the description of our activities, the growth of our Company, exports, technological and managerial competence, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/facility creation, location of manufacturing facilities, marketing and competition see *"Our Business"* and *"Our Management"* beginning on pages 92 and 122, respectively.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

As on date of this Draft Red Herring prospectus, our Company has not carried out any acquisition of business/undertakings, mergers, amalgamation, revaluation of assets.

Capital raising activities through equity and debt

Except as mentioned in "*Capital Structure*" on page 51 of this Draft Red Herring Prospectus, our Company has not raised capital through equity. For a description of our Company's debt facilities, see *"Financial Indebtedness"* on page 192 of this Draft Red Herring Prospectus.

Changes in the activities of our Company since incorporation

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling with financial institutions or banks. Further, none of our loans have been converted into Equity Shares.

Lock outs and strikes

As our Company has not yet commenced commercial generation of its power plant there have been no lock outs or strikes at any of the units of our Company.

Time and cost overruns

We have set up our 16 MW Plant which was scheduled to commence operations in July 2011. However, the expected time overrun will be about nine months and the proposed date of commencement of operations is from March 2012. The time overrun has been on account of delay in installation of plant and machinery and civil construction work. The procurement of machinery was delayed due to logistical issues in the state of Andhra Pradesh due to political unrest. The foundation for civil construction work was delayed due to heavy rains in Mathura.

The total cost overrun as per management estimate is ₹ 189 lacs. The cost overrun is on account of increase in pre-operative expenses due to delay in execution of the project.

Holding company

Except for Usher Agro Limited, one of our Promoters which holds 69.49% Equity Shares of our Company, our Company does not have any other holding company.

Subsidiaries

As on date of filing of this Draft Red Herring Prospectus our Company has no subsidiaries.

Corporate profile of our Company

For details relating to our corporate profile, our business operations, technology, capacity build up, managerial competence, market products, approvals related to our business operations, please refer to chapter titled "*Our Business*" and "*Government and Other Approvals*" beginning on page 92 and 204 of this Draft Red Herring Prospectus.

Shareholders of our Company

For details relating to shareholders of our Company refer to chapter titled "*Capital Structure*" beginning on page 51 of this Draft Red Herring Prospectus.

Injunction or restraining orders

For details related to litigation or notices issued against our Company refer to chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 200 of this Draft Red Herring Prospectus.

Shareholders' Agreements

Pursuant to the Share Subscription and Shareholders Agreement ("**Subscription Agreement**") dated April 20, 2007 between Mr. Vinod Kumar Chaturvedi, Mr. Manoj Pathak and Usher Agro Limited ("**Usher Promoters**") and Transform Engineering Private Limited ("**Transform**"), and the Supplemental Share Subscription and Shareholders Agreement ("**Supplemental Agreement**") dated September 30, 2008 between Mr. Vinod Kumar Chaturvedi, Mr. Manoj Pathak and Usher Agro Limited, Transform Engineering Private Limited and Usher Eco Power Limited, Transform and Usher Promoters were to invest in the share capital of our Company. As per the Subscription Agreement and the Supplemental Agreement, Transform agreed to be named as a promoter of Usher Eco Power Limited in the offer document for the purpose of proposed IPO of Usher Eco Power Limited, in terms of and for the purpose of the erstwhile SEBI (Disclosure and Investor Protection Guidelines), 2000. Usher Promoters and Transform agreed upon being responsible and liable for the compliances to be made in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, upon the listing of the Equity Shares of our Company pursuant to the IPO. All the affirmative rights given to Transform would cease to exist on the date of listing of the Equity Shares of our Company, pursuant to the proposed IPO.

Deed of Settlement

Pursuant to Deed of Settlement dated January 28, 2010 ("**Deed**") between Transform Engineering Private Limited ("**Transform**"), Mr. Pandoo Naig, Dr. Gautam Deshpande, Dr. Mrs. Sowmya Deshpande, Oadnap Agrotech Limited, Mr. Vinod Kumar Chaturvedi ("**VKC**"), Usher Agro Limited, Mr. Manoj Pathak, Usher Eco Power Limited, Vedika Finance Private Limited ("**Vedika**")and Narayani Nivesh Nigam Private Limited ("**Narayani**"), the parties have agreed to terminate the Subscription Agreement dated April 20, 2007 and Supplemental Agreement dated September 30, 2008. The parties have further agreed to settle all their differences and disputes by executing this Deed.

Some of the key terms of the Deed are as follows:

1. On the execution of the Deed, Transform shall sell, transfer, deliver to VKC, Vedika and Narayani its entire shareholding of 30,49,000 Equity Shares in our Company at a price aggregating to ₹ 6,16,00,000.

Name of the Acquirer	Number of shares
Mr. Vinod Kumar Chaturvedi	9,90,300
Vedika Finance Private Limited	2,700
	8,18,300
Narayani Nivesh Nigam Private Limited	12,37,700
Total	**30,49,000**

2. Upon transfer of shares held by Transform and receipt of consideration as agreed upon in the Deed, the Subscription Agreement dated April 20, 2007 and the Supplement Agreement dated September 30, 2008 shall stand terminated. The termination of these agreements is the essence of this Deed.
3. All the affirmative rights assigned to Transform in the Subscription Agreement shall become null and void, once the Subscription Agreement stands terminated.
4. Our Company shall reconstitute the board of directors and all the nominee directors of Transform shall submit their resignation.
5. All disputes and differences among the parties shall stand resolved and settled and none of the parties shall have any claim against the other arising out of past dealings with each other including but not limited to shares of our Company.

Collaborations

Our Company has not entered into any collaboration with any third party as per Clause (VIII) (B) (1) (c) of Part A, Schedule VIII of the SEBI ICDR Regulations.

Acquisitions and mergers

As on the date of this Draft Red Herring Prospectus, our Company has not made any acquisition of business/undertakings, mergers, acquisition, amalgamation or revaluation of assets.

Joint Ventures

Our Company does not have any joint ventures as on the date of this Draft Red Herring Prospectus.

Strategic Partners

Our Company does not have any strategic partners as on date of this Draft Red Herring Prospectus.

Financial Partners

Our Company does not have any financial partners as on date of this Draft Red Herring Prospectus.

Other Agreements

Except as stated in this chapter and except various agreements/contracts, which have been entered in regular course of business with our suppliers, customers and lenders, there are no other material agreements or contracts, which have been entered into within a period of two years prior to the date of this Draft Red Herring Prospectus.

SUMMARY OF BUSINESS AGREEMENTS

I. RAW MATERIAL SUPPLY AGREEMENT :

Our Company has entered into Raw Material Supply Agreement ("**RMSA**") with Usher Agro Limited (UAL) dated September 26, 2008. Our Company proposes to set up an eco-friendly rice husk fired 16 MW biomass based cogeneration power project, decentralized generation of renewable energy power, mainly from rice husk agro residues, in Kosikalan town, in Mathura, Uttar Pradesh. The purpose of the agreement is to set out the respective rights and liabilities in respect of the purchase and supply of rice husk and other agro residues ("**Raw Materials")** from UAL to our Company. The important terms and conditions as set out in the agreement are as mentioned below:

i. Price and Supply:
UAL shall supply Raw Materials to our Company on a daily basis at a price fixed on an arm's length basis based on the prices of the Raw Materials in the market in and around the area where the power plant of our Company will be located. The price shall be fixed one week prior to the commencement of one month and shall remain valid for the entire month. The maximum quantity of the Raw Material to be supplied would be all the Raw Materials which is produced in the plant of Usher Agro Limited at Mauja Dautana, Tehsil Chhata, Mathura, Uttar Pradesh. Our Company shall make payments to UAL on a weekly basis as per bills submitted by UAL. Further UAL is free to furnish additional quantity to our Company on mutual terms.

ii. Duration:
RMSA shall come into force from the date of inauguration of the 16 MW Plant. RMSA shall be in force for 36 months from the day of first supply of Raw Materials.

iii. Termination:
Our Company shall be entitled to terminate the agreement forthwith by giving one month's notice to UAL. If either Party commits a breach of the terms of the RMSA, and if being a breach capable of remedy, if not remedied within 15 days of the written request, the other Party shall be entitled to terminate the RMSA by giving UAL a notice in writing to this effect. If the RMSA gets terminated on account of breach committed by UAL, UAL shall reimburse Our Company all the advances that our Company may have paid along with interest from the date of first payment till the date of full and final receipt of all monies by our Company.

iv. Indemnity:
UAL shall indemnify our Company against any and all damages, claims, suits, actions, judgments, costs and expenses arising out of or in any way connected with a wilful act or omission by UAL out of the breach of this Agreement.

v. Arbitration:
If the negotiations do not resolve the dispute arising in connection with the Agreement, to the reasonable satisfaction of the Parties, within 7 days of their initiation, then either Party may invoke arbitration proceedings for the resolution of such dispute or claim, which shall be finally settled in accordance with the Arbitration and Conciliation Act, 1996.

II. *MEMORANDUM OF UNDERSTANDING FOR STEAM AND POWER SUPPLY:*

Our Company has entered into a Memorandum of Understanding for Steam and Power Supply ("**MoU**") with Usher Agro Limited dated July 30, 2010. Our Company proposes to set up an eco-friendly rice husk fired 16 MW biomass based cogeneration power project, decentralized generation of renewable energy power, mainly from rice husk agro residues, in Kosikalan town, in Mathura, Uttar Pradesh. The purpose of the MOU is to set out the respective rights and liabilities in respect of the purchase and supply of steam and power from our Company to UAL. The important terms and conditions as set out in the MOU are as mentioned below:

i. Price and Supply:

Our Company will provide 2MW power to UAL at a fixed price of ₹ 4.50 per unit (1kWh = 1 unit). This price is fixed and would remain would remain valid for the entire duration of this MOU. UAL shall make payments to our Company on a monthly basis as per bills submitted by us.

ii. Duration:
The MoU shall be deemed to come into force on and from the date of inauguration of the 16 MW Plant. The MoU shall be in force for 120 months from the day of first supply of Steam and Power.

iii. Termination:
UAL shall be entitled to terminate this MOU forthwith by giving one month's notice to the Supplier. If either party commits a breach of the terms of this MOU, and if being a breach capable of remedy, if not remedied within 15 days of the written request, the other Party will be entitled to terminate this MOU by giving our Company a notice in writing to this effect. If the said MOU gets terminated on account of breach committed by our Company, then our Company shall reimburse UAL all the advances, along with interest at 18% p.a. from the date of the first payment till the date of full and final receipt of all monies by UAL.

iv. Indemnity:
Our Company shall indemnify UAL against any and all damages, claims, suits, actions, judgments, costs and expenses arising out of or in any way connected with a wilful act or omission by our Company out of the breach of this MOU.

v. Arbitration:
If the negotiations do not resolve the dispute arising in connection with the MOU, to the reasonable satisfaction of the Parties, within 7 days of their initiation, then either Party may invoke arbitration proceedings for the resolution of such dispute or claim, which shall be finally settled in accordance with the Arbitration and Conciliation Act, 1996.

III. TECHNOLOGY TRANSFER AGREEEMENT

Our Company ("**Licensee**") has entered into a Technology Transfer Agreement ("**TTA**") with Advanced Bioredsidue Energy Technologies Society ("**Licensor**" or "**ABETS**") on the March 19, 2010. The licensor owns and controls certain patents and technical information, including but not limited to engineering and technical data, manufacturing data, drawings, designs, skills, methods, procedures and facilities relating to the manufacture, sale distribution and use of licensed product being process and apparatus for the manufacture of precipitated silica from rice husk ash technology ("**Licensed Products**").

By this agreement both the parties aimed at promoting technology possessed by the Licensor in the market, and working to independently and together in an effective optimized manner to use Precipitated Silica from rice husk ash technology developed by the licensor called the IPSIT (Indian Institute of Science Precipitated Silica Technology) process, and also granting the right to use the technology ("**Technology**") to manufacture and market the Licensed Products, to our Company, in the territory subject to the mutually agreed upon terms and conditions as follows:

1. License, Patents And Referrals

a. The Licensor grants the non exclusive worldwide approval to use the technology during the term of TTA for manufacturing of Licensed Products, marketing, selling and providing maintenance support. Our Company shall have the right to make a reasonable number of copies of the Technology for its internal use and for use by its subcontractors and distributors as permitted herein.

b. Without any prejudice to the Licensor's right to use the Technology, the Licensee shall have the right to sublicense and disclose the Technology to its subcontractors and distributors, for the purpose of engineering, procuring, constructing, distributing, operating and maintaining the Licensed Products, on the condition that the latter shall execute confidentiality agreements, which would contain non-disclosure and limited use obligations.

c. The Licensee may register any patents related to the Licensed Products in any country (in India or outside), it shall so notify the Licensor, who shall submit applications for registrations with least delay. The fees and expenses of such patent registration during the term of this agreement are subject to prior approval, and shall be initially borne by the Licensee and later deducted from the royalties to be paid to the Licensor.

d. The Licensor shall solely be responsible to protect the proprietary rights in the patents, and to defend it against any challenges to bring proceeding for any violation. Upon learning of any infringement or threat of infringement of the patents, the Licensee shall notify the Licensor in writing, and give necessary particulars thereof.

e. The Licensor shall keep the Licensee informed of any enquiries including business enquiries received during the subsistence of this agreement, causing the Licensee to handle such queries.

2. <u>Term</u>

The agreement commences from the effective date hereof and shall continue for a period of 15 years, and at the end of the aforesaid terms of 15 years, the agreement shall expire, and may be renewable at the sole option and discretion of ABETS, IISC and such renewed agreement on the same terms as this agreement or subject to any amendments/changes as suggested and/or accepted by the parties.

3. <u>Termination</u>

The agreement may be terminated in the following cases:

1. Either party may terminate giving a written notice of 90 days if the other party commits breach, and fails to rectify it within 30-45 days of receipt of such notice.
2. In case of insolvency of either of the parties, without any notice by either party.
3. Once this Agreement is terminated no royalties/mutual compensation shall be due after the date of terminations.
4. The dissolution pursuant to applicable statutory provisions of company law in India.
5. Any change in the our Company's name or retransfer of this particular Licensed Products to any other concern including sister concerns would require prior consent from ABETS, Indian Institute of Science.
6. The occurrence of any of the following events shall be immediately be informed to ABETS:
   a) The passing of resolution by the share holders of our Company to wind it up
   b) The appointment of a liquidator of in a proceeding for the winding up of our Company after notice issued to our Company, which appointment has not been set aside or stayed with 90 days of such appointment.
   c) The passing by a court of an order of winding up of the Licensee.

IV. POWER PURCHASE AGREEMENT

Our Company has entered into Power Purchase Agreement ("**PPA**") with Tata Power Trading Company Limited ("**TPTCL**") on May 13, 2009. Our Company has agreed to sell power from its 16 MW Plant (which is yet to commence commercial production) to TPTCL for trading either directly or through power exchange (after meeting the power requirements for their internal consumption and supply of power to UAL and any other group companies promoted by Mr. Vinod Kumar Chaturvedi and Mr. Manoj Pathak). The important terms and conditions as set out in the agreement are as mentioned below:

<u>i. Quantum of Power</u>: <u>Delivery Point:</u>
Upto 16 MW on Round the clock, throughout the year basis from its bio-mass based power plant at Tehsil Chhata, Mathura, Uttar Pradesh. The actual available quantum would be as per Declared Capacity by our Company.

<u>ii. Delivery Point:</u>
For the purchase of energy by TPTCL, the Delivery Point shall be 132 kV interconnection points between Our transmission system and State Transmission Utility ("**STU**") (UPPCL) transmission system at Kosikalan substation in Northern Region.

Our Company will undertake all the necessary steps to obtain open access from STU up to the Delivery Point.

TPTCL shall obtain all open access approvals from nodal agency for flow of power under open access rules and regulations.

<u>iii. Validity and Tenure:</u>

PPA shall be valid and effective from the date of signing by the parties and shall remain in force till the expiry of ten years from the date of execution of PPA and beyond based on mutual agreement. Both the parties shall at least six months prior to the expiry of the PPA determine whether they wish to extend the PPA and the terms and conditions under which they intend to extend.

Our Company shall inform TPTCL at least four months in advance about the likely commercial date of operation ("**COD**"), the quantum; duration and period of available power to enable TPTCL make requisite arrangements for trading of this power.

iv. Trading on power exchange:
Both parties may mutually agree to sell the power through Power Exchange approved by Central Electricity Regulatory Commission.

v. Liability and Default Compensation:
The purchase of electrical energy by TPTCL from our Company is without any "take or pay liability on either side" i.e. – There shall be no liability (financial or otherwise, except for the right of termination of the PPA including as mentioned in the clause "Third party (other than TPTCL) sale" and the clause "Events of default and termination" on the either side of any deficit in off take or supply of power with respect to the contracted quantum of power.

vi. Exclusivity for Power Supply:

Our Company will exclusively supply upto 16 MW of power from its plant located in Tehsil Chhata, Mathura, Uttar Pradesh on Round the clock basis starting likely form April 2010 up to the date of termination of this Agreement. Our Company will pay a penalty @ 3 % of selling price to TPTCL for power supplied to third party.

OUR MANAGEMENT

Under our Articles, our Company is required to have not less than three directors and not more than twelve directors, subject to Section 252 and 259 of the Companies Act. As on the date of this Draft Red Herring Prospectus, our Company is managed by Board of Directors comprising of six Directors. In compliance with the requirements of Clause 49 of the Listing Agreement, our Company has two executive Directors and four independent Directors.

OUR DIRECTORS

The following table sets forth the details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus.

Sr. No.	Full Name, Age, Father's, Address, Designation, Status, Occupation, DIN and Nationality	Date of Appointment and Terms of Office	Other Directorships/Partnership/HUF/Trusts
1.	**Dr. Vinod Kumar Chaturvedi** ***Age:*** 46 Years ***Father's Name:*** Late Mr. Murarilal Chaturvedi ***Residential Address:*** 1402, 14th Floor, La Serena CHS. Limited, J. P Road, Andheri (West), Mumbai – 400058, Maharashtra ***Designation:*** Managing Director ***Occupation:*** Business ***DIN:*** 00325197 ***Nationality:*** Indian	Since incorporation, appointed as first Director Appointed as Managing Director *vide* a board resolution dated June 25, 2008 Term of office: 5 years with effect from June 25, 2008 Not liable to retire by rotation	**Companies** ▪ Usher Agro Limited ▪ SJP Real Estate Limited ▪ Usher Oils and Foods Limited ▪ Usher Infra Logic Limited ▪ Usher Capitals Limited ▪ Vedika Finance Private Limited ▪ Narayani Nivesh Nigam Private Limited
2.	**Mr. Manoj Chaturvedi*** ***Age:*** 38 Years ***Father's Name:*** Late Mr. Murarilal Chaturvedi ***Residential Address:*** 346, Nagla Paisa, Mathura, Uttar Pradesh ***Designation:*** Whole-time Director ***Occupation:*** Business ***DIN:*** 00616061 ***Nationality:*** Indian	Since incorporation, appointed as first Director Appointed as Joint Managing Director *vide* a board resolution dated June 25, 2008. Term of office: 5 years with effect from June 25, 2008 Not liable to retire by rotation	**Companies** ▪ Usher Agro Limited ▪ Usher Oils and Foods Limited ▪ Usher Infra Logic Limited ▪ Usher Capitals Limited ▪ Vedika Finance Private Limited ▪ Narayani Nivesh Nigam Private Limited

Sr. No.	Full Name, Age, Father's, Address, Designation, Status, Occupation, DIN and Nationality	Date of Appointment and Terms of Office	Other Directorships/Partnership/HUF/Trusts
3.	**Mr. Ajay Prakash Arora** ***Age:*** 70 Years ***Father's Name:*** Mr. Madho Prasad Arora ***Residential Address:*** 305, Wing 3-B, Dheeraj Enclave, CHS., Opposite Bhor Ind, Off W.E. Highway, Borivali (East), Mumbai – 400066, Maharashtra ***Designation:*** Independent Director ***Occupation:*** Business ***DIN:*** 01055020 ***Nationality:*** Indian	Since incorporation, appointed as First Director Appointed as Independent Director *vide* board resolution dated March 28, 2008 Re-appointed *vide* an AGM resolution dated September 30, 2011 Term of office: Liable to retire by rotation	**Companies** ▪ Usher Agro Limited ▪ Usher Oils and Foods Limited ▪ Usher Capitals Limited ▪ Shree Perfect-Tech Solutions Private Limited
4.	**Mr. Vijay Ranchan** ***Age:*** 68 Years ***Father's Name:*** Mr. Pyarelal Sharma ***Residential Address:*** Plot No. 131, Sector 8-C, Gandhi Nagar -382008, Gujarat ***Designation:*** Independent Director ***Occupation:*** Business ***DIN:*** 01602023 ***Nationality:*** Indian	Appointed as Additional Director *vide* a board resolution dated April 7, 2008 Appointed as Independent Director *vide* an AGM resolution dated June 27, 2008 Term of office: Liable to retire by rotation	**Companies** ▪ Usher Agro Limited ▪ Adani Power Limited ▪ Shah Pulp And Paper Mills Limited ▪ Pramerica Asset Managers Private Limited ▪ Eywa Energy Private Limited ▪ Vishwa Infrastructure and Services Private Limited ▪ Adani Power Maharashtra Limited ▪ Gyscoal Alloys Limited
5.	**Major General Vinod Kumar Khanna** ***Age:*** 75 Years ***Father's Name:*** Justice H. R Khanna ***Residential Address:*** E – 170, Greater Kailash, Part – II, New Delhi – 110 048 ***Designation:*** Independent Director ***Occupation:*** Business ***DIN:*** 01050554 ***Nationality:*** Indian	Appointed as Independent Director w.e.f. March 21, 2011*vide* a board resolution dated February 11, 2011 Re-appointed *vide* an AGM resolution dated September 30, 2011 Term of office: Liable to retire by rotation	**Companies** ▪ Sharp Global Limited ▪ Universal Fincorp Limited ▪ E – Square Verification Private Limited

Sr. No.	Full Name, Age, Father's, Address, Designation, Status, Occupation, DIN and Nationality	Date of Appointment and Terms of Office	Other Directorships/Partnership/HUF/Trusts
6.	**Dr. Palakat Joseph Paul** ***Age:*** 61 Years ***Father's Name:*** Mr. Joseph Palakat Verghese ***Residential Address:*** No. 671, 5th Main, MES Road, Muthyalama Nagar, Bengaluru – 560054, Karnataka ***Designation:*** Independent Director ***Occupation:*** Business ***DIN:*** 02223538 ***Nationality:*** Indian	Appointed as Independent Director *vide* board resolution dated May 6, 2011 w.e.f. May 18, 2011 Re-appointed *vide* an AGM resolution dated September 30, 2011 Term of office: Liable to retire by rotation	**Nil**

***Note**:*

***Mr. Manoj Chaturvedi is the brother of Dr. Vinod Kumar Chaturvedi. In some documents his name appears as Manoj Pathak. Chaturvedi is the broader term in Brahmin community and Pathak is 'Gotra' (sub-category) in Chaturvedi Brahmin. He is using Pathak or Chaturvedi as his surname along with his first name Manoj. We are enclosing identity proof of Mr. Manoj Chaturvedi and a copy of affidavit dated October 14, 2004 stating this fact with this Draft Red Herring Prospectus.*

a. None of the above mentioned Directors are on the RBI List of wilful defaulters as on date.
b. None of the Directors has been (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad, (iii) or has held current and past directorship(s) in listed companies whose shares have been / were suspended / delisted from being traded on the BSE Limited/National Stock Exchange of India Limited for a period of more than three months during the last five years.

As on the date of this Draft Red Herring Prospectus, there are no service contracts entered into by and between our Directors and our Company whereby benefits would be provided upon termination of employment.

BRIEF PROFILE OF OUR DIRECTORS

Dr. Vinod Kumar Chaturvedi, aged 46 years, is a Promoter of our Company and was appointed as the Managing Director of our Company *vide* a board resolution dated June 25, 2008. He holds a Bachelors Degree in Commerce (B. Com) from Agra University He also holds a Doctorate in Philosophy in Applied Business Economics (commerce) on the topic *"Prospects and Rationale for Second Green Revolution"* from Dr. Bhimrao Amebdkar University, Agra. He is a fellow member of "The Institute of Chartered Accountants of India". Dr. Vinod Kumar Chaturvedi has varied experience in finance, project and food processing industry. He along with Mr. Manoj Chaturvedi promoted Usher Agro Limited (our Corporate Promoter) in 1996 and set up a conventional rice milling plant at Mathura. Dr. Vinod Kumar Chaturvedi was paid a remuneration of ₹ 3,00,000 for FY 2011.

Mr. Manoj Chaturvedi*,* aged 38 years**,** is a Promoter of our Company and was appointed as Joint Managing Director *vide* a board resolution dated June 25, 2008. He holds a Bachelors degree in Commerce from Agra University and Bachelors degree in Law from Dr. B. R. Ambedkar University, Agra. He has over 15 years of experience in food processing industry and he has been involved with the management of our Company since its inception. He has been actively involved in the implementation of the projects of our Company. His responsibilities include contributing to the strategic growth and development of a strong marketing network for our products. Mr. Chaturvedi was paid a remuneration of ₹ 3,00,000 for FY 2011.

Mr. Ajay Prakash Arora, aged 70 years, is an Independent Director of our Company and was appointed as Independent Director *vide* board resolution dated March 28, 2008. He was further re-appointed *vide* an AGM resolution dated September 30, 2011. He holds a Masters Degree in Commerce from Lucknow University and is a qualified Certified Associate of the Indian Institute of Bankers (CAIIB). He was previously associated with Central Bank of India and retired as Chief Manager. Mr. Arora was paid sitting fees of ₹ 65,000 for FY 2011.

Mr. Vijay Ranchan, aged 68 years, is an Independent Director of our Company and was appointed *vide* board resolution dated April 7, 2008 and was regularised as independent director *vide* resolution passed at the Annual General Meeting dated June 27, 2008. He was in the Indian Administrative Service (1967 batch) and is currently retired. He has served as the Principal Secretary to the Energy & Petrochemical Department, Government of Gujarat. Mr. Ranchan was paid sitting fees of ₹ 60,000 for FY 2011.

Major General Vinod Kumar Khanna, aged 75 years, is an Independent Director of our Company and was appointed *vide* a board resolution dated February 11, 2011 with effect from March 21, 2011. He was further re-appointed *vide* an AGM resolution dated September 30, 2011. He holds a Masters degree in Science in Quality and Reliability Engineering from University of Birmingham and has attended the Signal Officers Degree Engineering Course at The College of Military Engineering Pune and The School of Signals Mhow. He has also completed Staff Course from Defence Services Staff College, Wellington, India, Special Weapons Course by Institute of Armament Technology, Pune and diploma in Business Management & Industrial Administration from Directorate General Resettlement, Ministry of Defence & Delhi Institute of Management & Services. He is also an associate member of The Institution of Engineers (India) and a member of The Institution of Electronics and Telecommunication Engineers. He has also been elected as Fellow Corporate Member of The Institute of Quality Assurance. He has over 16 years of experience in the food industry. Major General Khanna has also served in the Indian armed forces and retired as a Major General. As Major General Khanna had joined our Company in March 21, 2011 no sitting fees was paid to him for FY 2011.

Dr. Palakat Joseph Paul, aged 61 years, is an Independent Director of our Company and was appointed *vide* board resolution dated May 6, 2011 with effect from May 18, 2011. He was further re-appointed *vide* an AGM resolution dated September 30, 2011. He holds a Doctorate in Philosophy from Indian Institute of Science, Bangalore. As Dr. Paul had joined our Company in May 18, 2011 no sitting fees was paid to him for FY 2011.

Family relationship between Directors

Except as disclosed below none of our directors are related to each other as defined under Companies Act and SEBI ICDR Regulations:

Name	Designation	Relationship with other Directors
Dr. Vinod Kumar Chaturvedi	Managing Director	Brother of Mr. Manoj Chaturvedi
Mr. Manoj Chaturvedi	Joint Managing Director	Brother of Dr. Vinod Kumar Chaturvedi

BORROWING POWERS OF BOARD OF DIRECTORS

The shareholders of our Company have passed a special resolution at the AGM of our Company held on June 27, 2008, authorising the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 to borrow, such sum or sums of money as they may deem requisite for the purpose of the business of our Company not withstanding that the monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the bankers of our Company in the ordinary course of business) shall exceed the aggregate of the paid up capital of our Company and its free reserves, that is to say, reserves not set up for any specific purposes provided that the total amount together with the monies already borrowed by the Board of Directors shall not at any time exceed the sum of ₹ 100,00,00,000 (Rupees Hundred Crores).

For further details of the provisions of our Articles of Association regarding borrowing powers, refer to the chapter titled *"Main Provisions of the Articles of Association"* beginning on page 267 of this Draft Red Herring Prospectus.

REMUNERATION AND BENEFITS TO DIRECTORS

Except as disclosed below, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

1. **Remuneration of Dr. Vinod Kumar Chaturvedi, Managing Director is as follows:**

Dr. Vinod Kumar Chaturvedi was appointed as Managing Director *vide* a board resolution for a period of 5 years with effect from June 25, 2008.

The details of his remuneration were decided pursuant to a service agreement dated June 25, 2008 and were revised *vide* a shareholders' resolution dated September 30, 2011:

CATEGORY	PARTICULARS
Basic Salary	₹ 3,00,000 per month with annual increments being determined and recommended by the Remuneration Committee
Bonus	Will be paid in accordance with the Company's rules
Perquisites and Allowances	The Managing Director shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, as permissible under law reimbursement of expenses, allowances for utilities such as gas, electricity, water, furnishings, repairs and other allowances, medical reimbursement, club fees and leave travel concession for self and his family; personal accident insurance and such other perquisites payable in accordance with the rules of the Company or as may be agreed to by the Remuneration Committee and/or Board of Directors and the Managing Director. However such perquisites will be subject to a ceiling of 100% of the salary.
Sitting Fees	The Managing Director shall not be entitled to sitting fees but the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above: • Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 • Gratuity payable at the rate not exceeding half a month's salary for each completed year of service • Earned privilege leave at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director. • Provision for car and telephone communication facilities at the residence of the Managing Director shall not be treated as perquisites

2. **Remuneration of Mr. Manoj Chaturvedi, Joint Managing Director is as follows**:

Mr. Manoj Chaturvedi was appointed as Joint Managing Director *vide* a board resolution for a period of 5 years with effect from June 25, 2008.

The details of his remuneration were decided pursuant to a service agreement dated June 25, 2008, and were revised *vide* a shareholders' resolution dated September 30, 2011:

CATEGORY	PARTICULARS
Basic Salary	₹ 1,80,000 per month with annual increments being determined and recommended by the Remuneration Committee
Bonus	Will be paid in accordance with the Company's rules
Perquisites and Allowances	The Joint Managing Director shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, as permissible under law reimbursement of expenses, allowances for utilities such as gas, electricity, water, furnishings, repairs and other allowances, medical reimbursement, club fees and leave travel concession for self and his family; personal accident insurance and such other perquisites payable in accordance with the rules of the Company or as may be agreed to by the Remuneration Committee and/or Board of Directors and the Managing Director. However such perquisites will be subject to a ceiling of 100% of the salary.
Sitting Fees	The Joint Managing Director shall not be entitled to sitting fees but the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above: • Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent

CATEGORY	PARTICULARS
	these either singly or put together are not taxable under the Income Tax Act, 1961 • Gratuity payable at the rate not exceeding half a month's salary for each completed year of service • Earned privilege leave at the rate of one month's leave for every eleven months of service. The Joint Managing Director shall be entitled to encash leave at the end of his tenure as Joint Managing Director. Provision for car and telephone communication facilities at the residence of the Joint Managing Director shall not be treated as perquisites

3. **Sitting fees payable to Independent Directors**

Apart from sitting fees payable for attending board meeting and committee meetings, our non executive independent directors are not entitled to any remuneration.

Our Board of Directors *vide* its resolution dated June 25, 2008 has fixed the sitting fee payable for attending all the board meetings at ₹ 10,000 per meeting. Further, our Board of Directors, *vide* board resolution dated June 27, 2009 has fixed the sitting fee payable for attending all the Audit Committe meeting at ₹ 5,000 per meeting, *vide* board resolution dated January 27, 2010 has fixed the sitting fee payable for attending all the meetings of Remuneration Committee, Shareholders' Grievance Committee and Allotment and Share Transfer Commitee at ₹ 5,000 per meeting and *vide* board resolution dated August 29, 2011 has fixed the sitting fee payable for attending all the Public Issue Management Committee meetings at ₹ 5,000 per meeting.

Bonus/Profit Sharing Plan for Directors

No portion of the compensation to the Directors was paid pursuant to a bonus or profit sharing plan since its incorporation.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Ms. Deepika Sabni, Company Secretary is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board of Directors.

SHAREHOLDING OF DIRECTORS

As per our Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of Director of our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	No of Equity Shares held	Percentage (%) of holding in our Company
1.	Dr. Vinod Kumar Chaturvedi	26,14,319	10.74
2.	Mr. Manoj Chaturvedi	8,12,250	3.34
3.	Mr. Ajay Prakash Arora	10,100	0.04
4.	Major General Vinod Kumar Khanna	10,000	0.04
5.	Mr. Vijay Ranchan	10,000	0.04
	Total	**34,65,569**	**14.20**

For details of payments or benefits paid to our Directors, please refer to the paragraph titled "*Remuneration and Benefits to Directors"* in this chapter on page 126 of this Draft Red Herring Prospectus.

Interest of Directors

Our executive Directors Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi are also Promoters of our Company. Except for Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi, none of our Directors has any interest in the promotion of our Company. All our executive Directors may be deemed to be interested to the extent of remuneration payable to them for their services as executive directors of our Company and all our non executive independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board of Directors or a committee thereof. All our Directors may be deemed to be interested to the extent of reimbursement of expenses payable to them under our Articles of Association. All our executive and non-executive Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives or firms, trusts or other entities/ bodies corporate in which they have interest, and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with other company in which they hold directorships, or any partnership firms in which they are partners or any proprietary concerns of which they are proprietors as declared in their respective declarations.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors were selected as director or member of senior management.

Further, save and except as stated otherwise under the chapters titled *"Our Business"*, *"Our Promoters and their Background"* and "*Financial Statements*" beginning on pages 92, 135 and 155, respectively, of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus.

Our Directors have no interest in any property acquired by our Company within two years from the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Save and except as mentioned below, only the following changes have taken place in the Board of Directors of our Company during the last three years:

Name of the Director	Date of Appointment	Date of Resignation	Reason
Mr. Pandoo Naig	August 16, 2007	June 30, 2009	Retired
Mr. Srinivasachari Rajagopal	May 15, 2008	October 31, 2009	Resignation
Mr. Guru Prasad Kohli	September 30, 2008	November 3, 2009	Resignation
Mr. Brij Mohan Verma	April 28, 2009	March 21, 2011	Resignation
Major General Vinod Kumar Khanna	March 21, 2011	-	Appointment
Dr. Palakat Joseph Paul	May 18, 2011	-	Appointment

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with BSE and NSE and the SEBI ICDR Regulations, 2009 in respect of corporate governance will be applicable to our Company at the time of seeking in principle approval for listing of our Company's Equity Shares with the Stock Exchanges. Our Company has complied with Listing Agreement in respect of corporate governance particularly those relating to composition of Board of Directors, constitution of the committees such as Audit Committee, Remuneration Committee, Shareholders/Investors Grievance Committee, Allotment and Share Transfer Committee and Public Issue Management Committee.

Further, our Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

COMMITTEES OF THE BOARD

Audit Committee

Our Company has formed an Audit Committee *vide* Board Resolution dated June 25, 2008 in compliance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement. Following the resignation of Mr. Pandoo Naig and Mr, Srinivasachari Rajagopal (erstwhile members of the Audit Committee) a board resolution was passed on May 6, 2011, reconstituting the committee. The Audit Committee consists of the following Directors:

Name of Director	Designation in the committee	Nature of Directorship
Mr. Ajay Prakash Arora	Chairman	Independent
Mr. Vijay Ranchan	Member	Independent
Major General Vinod Kumar Khanna	Member	Independent

Our Company Secretary, Ms. Deepika Sabni will act as the secretary of the committee.

Terms of Reference

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
ii. 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.
iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
iv. Appointment, removal and terms of remuneration of internal auditors
v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
   b) Changes, if any, in accounting policies and practices and reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to the financial statements;
   f) Disclosure of any related party transactions;
   g) Qualifications in the draft audit report.
vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
vii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
viii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
ix. 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.
x. Discussions with internal auditors on any significant findings and follow up thereon.
xi. Reviewing internal audit reports and adequacy of the internal control systems.
xii. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
xiii. 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.
xiv. 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.
xv. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
xvi. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
xvii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

Remuneration Committee

The Remuneration Committee has been formed by the Board of Directors at the meeting held on June 25, 2008, in compliance with the Companies Act and Clause 49 of the Listing Agreement. The Remuneration Committee has been reconstituted *vide* board resolution dated August 29, 2011 with the following Directors:

Name of Director	Designation in the committee	Nature of Directorship
Mr. Ajay Prakash Arora	Chairman	Independent
Major General Vinod Kumar Khanna	Member	Independent
Mr. Vijay Ranchan	Member	Independent

Our Company Secretary, Ms. Deepika Sabni will act as the secretary of the committee.

Terms of reference

This committee shall look into the following:

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

Shareholders' Grievance Committee

The Shareholders' Grievance Committee has been formed by the Board of Directors at the meeting held on June 25, 2008, in compliance with the Companies Act and Clause 49 of the Listing Agreement. The Shareholders'/ Investors Grievance Committee has been reconstituted *vide* board resolution dated January 27, 2010 with the following Directors:

Name of Director	Designation in the committee	Nature of Directorship
Mr. Ajay Prakash Arora	Chairman	Independent
Mr. Vijay Ranchan	Member	Independent
Mr. Manoj Chaturvedi	Member	Executive

Our Company Secretary, Ms. Deepika Sabni will act as the secretary of the committee.

Terms of reference

This committee will address all grievances of shareholders/investors in compliance of the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and its terms of reference include the following:

To supervise and ensure:

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

Allotment and Share Transfer Committee

The Allotment and Share Transfer Committee has been constituted by the Board of Directors at the meeting held on January 27, 2010.

The Allotment and Share Transfer Committee has been constituted with the following Members:

Name	Designation in the committee	Nature of Directorship
Mr. Ajay Prakash Arora	Chairman	Independent
Dr. Vinod Kumar Chaturvedi	Member	Executive
Mr. Vijay Ranchan	Member	Independent

Terms of reference

This committee will approve all allotment and share and shall have the following powers:

i. To approve the allotment of shares;
ii. To approve the transfer of shares;
iii. To issue share certificate to allottees;
iv. To approve the issuance of duplicate, replaced, split, consolidated share certificates duly verified, confirmed and recommended by the Company Secretary.

Public Issue Management Committee

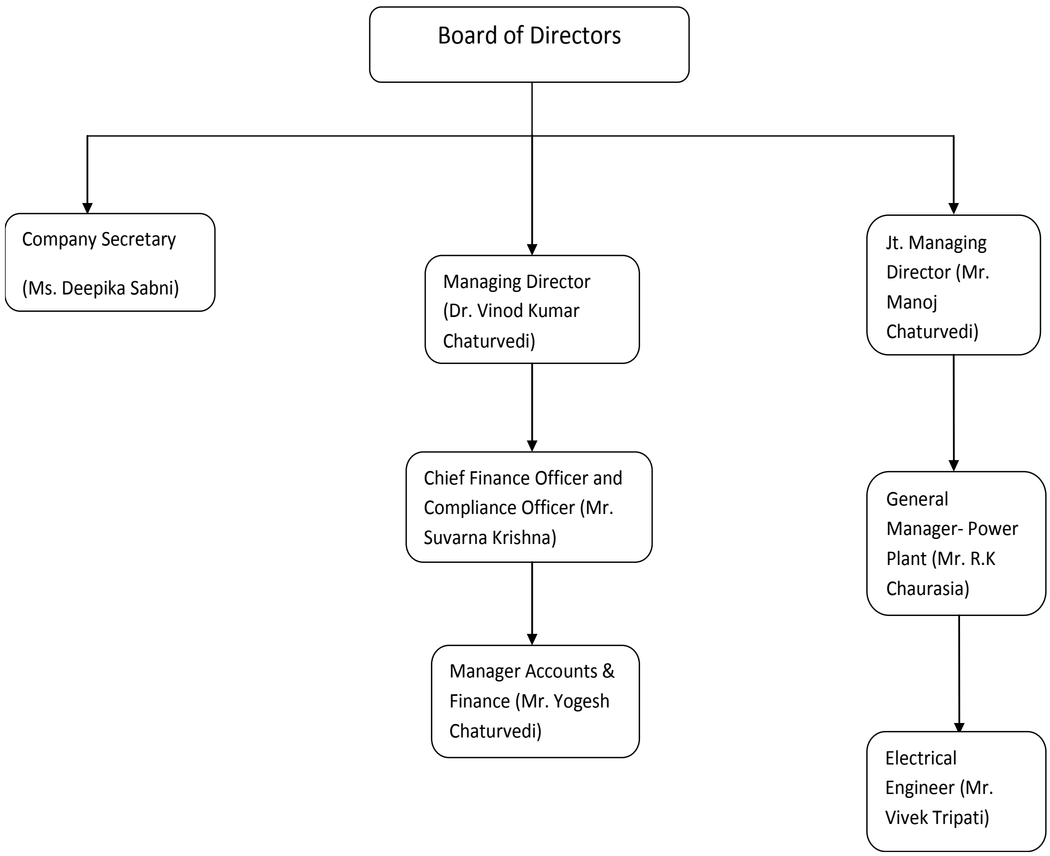
The Public Issue Management Committee has been formed by the Board of Directors at the meeting held on June 25, 2008 to decide on matters pertaining to proposed Initial Public Offering. Following the resignation of Mr. Pandoo Naig and to manage the current initial public offer the Public Issue Management Committee has been reconstituted *vide* board resolution dated August 29, 2011.

The Public Issue Management Committee has been constituted with the following members:

Name	Designation in the committee	Nature of Directorship
Dr. Vinod Kumar Chaturvedi	Chairman	Managing Director
Mr. Ajay Prakash Arora	Member	Independent
Mr. Krishna Suvarna	Member	NA

Our Company Secretary, Ms. Deepika Sabni will act as the secretary of the committee.

ORGANISATIONAL CHART OF OUR COMPANY



KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company other than our Executive Directors are as follows:

Name	Designation
Mr. Krishna Suvarna	Chief Finance Officer and Compliance Officer
Mr. Rakesh Kumar Chaurasia	G.M. – Project
Mr. Yogesh Kumar Chaturvedi	Manager – Accounts & Finance
Mr. Vivek Tripathi	Senior Engineer – Electrical
Ms. Deepika Sabni	Company Secretary

Mr. Krishna Suvarna, aged 50 years, is the Chief Finance Officer of our Company with an overall responsibility of supervision of all the activities relating to finance and project of our Company. He has been associated with our Company since December 15, 2010. He holds a Bachelors degree in Commerce from Mysore University, Karnataka and is a qualified Chartered Accountant. He has over 24 years of experience in accounts and finance, Mr. Suvarna has previously worked with SSF Plastics India Private Limited as the Chief Financial Officer and A. K. Oils & Fats (U) Limited as Chief Finance Manager. He has also been appointed as the Compliance Officer for this Issue. Gross remuneration paid to Mr. Suvarna for the FY 2011 was ₹ 5,36,897.

Mr. Rakesh Kumar Chaurasia, aged 41 years, is the General Manager (Power Plant Project) of our Company for overall supervision of erection and commissioning of the eco power co-generation plant. He has been associated with our Company since March 2, 2011. He holds a Bachelors degree in Mechanical Engineering from Nagpur University and has been awarded a Certificate of Proficiency as boiler operation engineer from the Government of Uttar Pradesh under the U. P. Boilers Operation Engineers Rules, 1964, in the year 2001. Mr. Chaurasia has over 18 years of experience in the field of energy generation and power plants, having previously worked with Shakumabhri Straw Product Limited, Moradabad as General Manager (Power Plant), Triveni Engineering & Industries Limited, Monnet Industries Limited, Bindal Sponge Limited and Chadha Paper Limited, Bilaspur. Gross remuneration paid to Mr. Chaurasia for FY 2011 was ₹ 27,581.

Mr. Yogesh Kumar Chaturvedi, aged 33 years, is the Manager (Accounts & Finance) in our Company with an overall responsibility of handling activities relating to finance and accounts of our Company. He holds a Bachelors degree in Commerce from Dr. B.R. Ambedkar University, Agra is also a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has been associated with our Company since January 1, 2008. He has over 8 years of experience in accounts and finance. Gross remuneration paid to Mr. Chaturvedi for FY 2011 was ₹ 5,68,143.

Mr. Vivek Tripathi, aged 25 years, is the Senior Engineer (Electricals) in our Company responsible for supervision of erection and commissioning of complete TG set, ACC and EOT crane. He has completed his Bachelors degree in Engineering (Electrical and Electronics) from Vishveshwarya Institute of Engineering & Technology, Ghaziabad. Mr. Singh has an overall experience of 3 years in the electrical engineering sector. He has been associated with our Company since June 6, 2011 and has previously worked with Rana Sugars Power Limited as Senior Engineer (Power Plants). Mr. Tripathi was appointed as an employee of our Company w.e.f. June 6, 2011.

Ms. Deepika Sabni, aged 25 years is the Company Secretary of our Company. She is a qualified Company Secretary from Institute of Company Secretaries of India. She holds Bachelor of Commerce degree from University of Mumbai. Before joining our Company she was working as a trainee company secretary at Oracle Financial Services Private Limited. Ms. Deepika Sabni was appointed as an employee of our Company w.e.f. November 11, 2011.

All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees. The Key Managerial Personnel are not related to one another.

Notes:

- There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned key managerial personnel have been recruited.
- The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.
- None of our Promoters/Directors have any relationship whatsoever with any of our Key Managerial Personnel.

Shareholding of Key Managerial Personnel

None of our key managerial personnel holds any Equity Shares in our Company as on date of this Draft Red Herring Prospectus.

Bonus or profit sharing plan for Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel.

Interest of Key Managerial Personnel

All our Key Managerial Personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company. In addition to the aforesaid, no amount or benefit has been paid or given by our Company during the preceding year to any of our key managerial personnel.

Change in our Key Managerial Personnel

Save and except as mentioned below, there had been no changes in Key Managerial Personnel of our Company that are not in the normal course of employment, during the last three years:

Name of the Key Management Person	Date of Appointment	Date of Resignation	Reason for Change
Mr. Ahmed Riyaz Khan	October 10, 2007	February 4, 2009	Resignation
Mr. Nitin Sharma	February 11, 2008	February 28, 2009	Resignation

Name of the Key Management Person	Date of Appointment	Date of Resignation	Reason for Change
Ms. Shreya Ramkrishnan	June 25, 2008	March 12, 2010	Resignation
Mr. Abhishek Dixit	April 2, 2008	May 13, 2010	Resignation
Mr. Krishna Suvarna	December 15, 2010	-	Appointment
Mr. Rakesh Kumar Chaurasia	March 2, 2011	-	Appointment
Mr. Vivek Tripathi	June 6, 2011	-	Appointment
Ms. Deepika Sabni	November 11, 2011	-	Appointment

Employees

For details of the Employees/ Manpower of our Company, please refer to the chapter titled *"Our Business*" beginning on page 92 of this Draft Red Herring Prospectus.

Employees Share Purchase Scheme and Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

Payment or benefit to officers of our Company

Except for payment of monetary and non-monetary benefits in accordance with the terms of employment or engagement, we have not paid any amount or given any benefit to any Officer of our Company in a period of two years before the date of this Draft Red Herring Prospectus, nor is such amount or benefit intended to be paid or given to any officer as on the date of this Draft Red Herring Prospectus.

OUR PROMOTERS AND THEIR BACKGROUND

The Promoters of our Company are:

Individual Promoters

1. Dr. Vinod Kumar Chaturvedi
2. Mr. Manoj Chaturvedi

Corporate Promoter

1. Usher Agro Limited

Details of our Individual Promoters:

Dr. Vinod Kumar Chaturvedi

Address: 1402, 14th Floor, La Serena CHS. Limited, J. P Road, Andheri (West), Mumbai- 400058, Maharashtra

Dr. Vinod Kumar Chaturvedi, aged 46 years, is a Promoter of our Company and was appointed as the Managing Director of our Company *vide* a board resolution dated June 25, 2008. He holds a Bachelors Degree in Commerce (B. Com) from Agra University He also holds a Doctorate in Philosophy in Applied Business Economics (commerce) on the topic *"Prospects and Rationale for Second Green Revolution"* from Dr. Bhimrao Amebdkar University, Agra. He is a fellow member of "The Institute of Chartered Accountants of India". Dr. Vinod Kumar Chaturvedi has varied experience in finance, project and food processing industry. He along with Mr. Manoj Chaturvedi promoted Usher Agro Limited (our Corporate Promoter) in 1996 and set up a conventional rice milling plant at Mathura. For further information on other ventures promoted by Dr. Chaturvedi, please refer to chapter "*Our Group Entities*" beginning on page 143 of this Draft Red Herring Prospectus.

Driving License number: V-452/M/88
Passport number: Z2085055
Permanent Account Number: AAAPC4940P
Voter ID number: Not Available

Mr. Manoj Chaturvedi*

Address: 346, Nagla Paisa, Mathura, Uttar Pradesh

***Mr. Manoj Chaturvedi**,* aged 38 years**,** is a Promoter of our Company and was appointed as Joint Managing Director *vide* a board resolution dated June 25, 2008. He holds a Bachelors degree in Commerce from Agra University and Bachelors degree in Law from Dr. B. R. Ambedkar University, Agra. He has over 15 years of experience in food processing industry and he has been involved with the management of our Company since its inception. He has been actively involved in the implementation of the projects of our Company. His responsibilities include contributing to the strategic growth and development of a strong marketing network for our products. For further information on other ventures promoted by Mr. Manoj Chaturvedi, please refer to chapter "*Our Group Entities*" beginning on page 143 of this Draft Red Herring Prospectus.

Driving License number: 2193/MR/2002
Passport number: A8528080
Permanent Account Number: AKEPP2014M
Voter ID number: Not Available

**Mr. Manoj Chaturvedi is the brother of Dr. Vinod Kumar Chaturvedi. In some documents his name appears as Manoj Pathak. Chaturvedi is the broader term in Brahmin community and Pathak is 'Gotra' (sub-category) in*

Chaturvedi Brahmin. He is using Pathak or Chaturvedi as his surname along with his first name Manoj. We are enclosing identity proof of Mr. Manoj Chaturvedi and a copy of affidavit dated October 14, 2004 stating this fact with this Draft Red Herring Prospectus

We confirm that the Permanent Account Number, bank account number and passport number of our Individual Promoters and the Permanent Account Number and bank account number of Corporate Promoter will be submitted to the NSE and BSE, on which the Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus with them.

For more details on Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi, please refer to the chapter titled *"Our Management"* beginning on page 122 of this Draft Red Herring Prospectus.

Details of our Corporate Promoter

Corporate Information

Our Corporate Promoter, Usher Agro Limited, was incorporated on June 20, 1996, and its registered office is situated in 422, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053, Maharashtra. UAL is an agri-food processing company primarily engaged in milling and processing of rice and wheat in Northern India focusing mainly on non-basmati rice and wheat products such as atta, maida, suji, etc. UAL's plants are based in Uttar Pradesh and Bihar, which are among the main rice and wheat growing regions in India. As on date of this Draft Red Herring Prospectus UAL has three rice milling plants, one at Tehsil Chhata, Mathura, Uttar Pradesh, one at Mathura, Uttar Pradesh and one at Buxar, Bihar with a total installed capacity of 5,43,600 MTPA and a wheat roller mill at Mathura, Uttar Pradesh with installed capacity of 75,000 MTPA.

It is listed on BSE since October 6, 2006 and in NSE since July 30, 2010. For further details, please refer to the chapter titled *"Our Group Entities"* beginning on page 143 of this Draft Red Herring Prospectus.

Promoters of UAL

UAL is promoted by Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi who are also Individual Promoters of our Company. There has been no change in control or management of UAL in the three years immediately preceding the date of filing this Draft Red Herring Prospectus. For further details refer to the chapter "*Our Management*" beginning on page 122 of this Draft Red Herring Prospectus.

There has been no change in the controlling interest of our Corporate Promoter in the three years immediately preceding the filing the draft offer document.

Shareholding Pattern of UAL as on December 31, 2011

Category code	Category of Shareholder	Number of Shareholders	Total number of equity shares	Number of equity shares held in dematerialized form	Total shareholding as a percentage of total number of equity shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of equity shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group[2]**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family*	3	75,07,500	75,07,500	19.73	19.73	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00

Category code	Category of Shareholder	Number of Shareholders	Total number of equity shares	Number of equity shares held in dematerialized form	Total shareholding as a percentage of total number of equity shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of equity shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)* 100
(c)	Bodies Corporate	3	34,12,832	34,12,832	8.97	8.97	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(1)	**6**	**1,09,20,332**	**1,09,20,332**	**28.69**	**28.69**	**0**	**0.00**
2	**Foreign**							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**6**	**1,09,20,332**	**1,09,20,332**	**28.69**	**28.69**	**0**	**0.00**
(B)	**Public shareholding**							
1	**Institutions**							
(a)	Mutual Funds/ UTI		0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	2	14,29,433	14,29,433	3.76	3.76	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	1	1,19,058	1,19,058	0.31	0.31	0	0.00
(f)	Foreign Institutional Investors	4	29,29,767	29,29,767	7.70	7.70	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**7**	**44,78,258**	**44,78,258**	**11.77**	**11.77**	**0**	**0.00**
B 2	**Non-institutions**							
(a)	Bodies Corporate	279	1,42,47,752	1,42,47,752	37.44	37.44	0	0.00
(b)	Individuals	0	0	0	0.00	0.00	0	0.00

Category code	Category of Shareholder	Number of Shareholders	Total number of equity shares	Number of equity shares held in dematerialized form	Total shareholding as a percentage of total number of equity shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of equity shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)* 100
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	5,514	17,15,369	17,15,254	4.51	4.51	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	51	40,53,570	40,53,570	10.65	10.65	0	0.00
(c)	Any Other (specify)	-	-	-	-	-	-	-
(c-i)	NSDL (TRANSIT)	6	5,060	5,060	0.01	0.01	0	0.00
(c-ii)	NRI	87	22,00,570	22,00,570	5.78	5.78	0	0.00
(c-iii)	KARTA / HUF	178	4,38,128	4,38,128	1.15	1.15	0	0.00
	Sub-Total (B)(2)	**6,115**	**2,26,60,449**	**2,26,60,334**	59.54	59.54	0	0.00
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**6,122**	**2,71,38,707**	**2,71,38,592**	**71.31**	**71.31**	**0**	**0.00**
	TOTAL (A)+(B)	**6,128**	**3,80,59,039**	**3,80,58,934**	**100.00**	**100.00**	**0**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
2	Public	0	0	0	0	0.00	0	0.00
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**6,128**	**38,059,039**	**3,80,58,934**	**0**	**100.00**	**0**	**0.00**

*2,25,000 equity shares(under the sub heading, total shareholding of promoter and promoter group) belonging to Mr. V.K. Chaturvedi has been given as margin.

Board of Directors of UAL as on the date of this Draft Red Herring Prospectus

1. Dr. Vinod Kumar Chaturvedi
2. Mr. Manoj Chaturvedi;
3. Mr. Vijay Ranchan;
4. Mr. Ajay Prakash Arora;
5. Dr. Shri Prakash Arora; and
6. Mr. N. Krishnan.

Financial Performance

(₹ in lacs)

Particulars	For FY		
	2009	2010	2011
Equity Capital	2,126.22	2,226.22	3,805.90
Reserves and Surplus (except revaluation reserve)	4,422.06	7,780.79	19,781.22
Sales	20,895.03	34,200.41	56,074.57
Profit / (Loss) after tax	1,484.65	2,352.63	3,542.45
Earnings per share (₹)	7.26	10.91	11.98
Diluted Earnings per share (₹)	7.26	9.69	11.98
Net Asset Value Per Share (₹)	30.79	44.95	61.97

Other Information

PAN	AACU1095N
Bank Account details	Bank: IDBI Bank Limited Account number: 174102000001427

We confirm that the Permanent Account Number and bank account number of our Corporate Promoter, UAL, will be submitted to the NSE and BSE, on which the specified securities are proposed to be listed at the time of filing this Draft Red Herring Prospectus with them.

Details of the past issues

Initial Public Offer:
Usher Agro Limited had made a public issue of 1,20,12,000 equity shares of face value of ₹ 10 each at a premium of ₹ 5 per equity share, aggregating to ₹ 18,01,80,000 in September 2006. The issue included a net issue to public of 88,12,000 equity share of face value of ₹ 10 each at a premium of ₹ 5 per equity share aggregating to ₹ 13,21,80,000 and promoter contribution of 32,00,000 equity shares of face value of ₹ 10 each at a premium of ₹ 5 per equity share aggregating to ₹ 4,80,00,000.

The equity shares of Usher Agro Limited are listed on the BSE on October 6, 2006 and on NSE on July 30, 2010.

The proceeds of the issue was utilized for the following purposes:

Sr. No.	Objects of the Issue as provided in the offer document	Amount to be utilized as stated in the offer document (₹ in lacs)	Performance (₹ in lacs)	Reasons for variation in the performance
1.	Part finance the wheat roller flour mill project at Mathura including working capital	747.90	757.85	Due to variation in configuration of certain machinery there has been an increase in cost.
2.	To Fund modernization of rice mill plant situated at Mathura	413.75	387.44	Efficiencies in project implementation and good bargain price terms with machinery suppliers, the company was able to save as against the estimated project cost.
3.	To fund co-generation power project at Mathura	345.18	475.69	Due to changes and modification in boiler configuration, updation in turbine technology and increase in electrical equipment cost.
4.	To meet long term working capital requirements for existing operations	175.00	19.45	The remaining issue proceeds have been used towards this head. The company has subsequently tied up for the shortfall in meeting long term working capital requirements.
5.	Issue Expenses	120.00	161.40	As actual

Mechanism for redressal of investor grievance

UAL has a shareholders/ investor grievance committee which meets as and when required, to deal and monitor redressal of complaints from shareholders relating to transfers, non-receipt of balance sheet, non receipt of dividend declared etc. Typically, the investor grievances are dealt within a fortnight of receipt of the complaint from the investor. As on December 31, 2011, there are no investor complaints pending against the Usher Agro Limited.

Change in Promoter

Pursuant to the Share Subscription and Shareholders Agreement ("**Subscription Agreement**") dated April 20, 2007 between Mr. Vinod Kumar Chaturvedi, Mr. Manoj Pathak and Usher Agro Limited ("**Usher Promoters**") and Transform Engineering Private Limited ("**Transform**"), and the Supplemental Share Subscription and Shareholders Agreement ("**Supplemental Agreement**") dated September 30, 2008 between Mr. Vinod Kumar Chaturvedi, Mr. Manoj Pathak and Usher Agro Limited, Transform Engineering Private Limited and Usher Eco Power Limited, the parties had agreed to nominate Transform Engineering Private Limited as one of the promoters of our Company along with the Usher Promoters in the offer document at the time of listing of its Equity Shares. However pursuant to the Deed of Settlement dated January 28, 2010, Transform transferred and delivered all its shareholding in our Company to Mr. Vinod Kumar Chaturvedi, Vedika Finance Private Limited and Narayani Nivesh Nigam Private Limited and the Subscription Agreement and Supplemental Agreement was terminated. Following the termination of both the agreements, Transform ceased to be the promoter of our Company. Currently our Company is promoted by Dr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi and Usher Agro Limited. For details relating to agreements entered into by our Company, please refer to chapter titled *"History and Other Corporate Matters"* beginning on page 114 of this Draft Red Herring Prospectus.

Our Promoters' experience in the current line of business

Apart from almost 15 years of experience in the food industry, our Individual Promoters have almost four years of experience in the setting up of cogeneration power plant. Our Corporate Promoter, UAL, has already installed 1 MW of power plant at its Mathura rice milling plant and is utilising husk, a by-product for power generation. Our Company is in the process of setting up a 16 MW Plant at Tehsil Chhata, Mathura, Uttar Pradesh, which is expected to commission from March 2012.

Interest of Promoters

Our Individual Promoters are also Directors of our Company. Dr. Vinod Kumar Chaturvedi holds 26,14,319 Equity Shares of our Company and Mr. Manoj Chaturvedi holds 8,12,250 Equity Shares of our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company.

Except for Equity Shares held by them and remuneration received as directors our Promoters do not have any interest in the promotion of our Company, or in any property acquired by our Company within a period of two years before filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired by our Company as on the date of filing this Draft Red Herring Prospectus with SEBI. For details of remuneration of our Promoters, please refer to the chapter titled "*Our Management*" beginning on page 122 of this Draft Red Herring Prospectus.

Our Promoters do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus except under the Trademark License Agreement dated October 15, 2011, with our Company for use of its registered trademark " " and as stated otherwise under the paragraph titled *"Property"* on page 98 under the chapter titled *"Our Business"*, under the paragraphs titled "*Shareholding of our Directors*" and "*Interest of Directors"* under the chapters titled "*Our Management*" beginning on page 122 and under the chapter titled "*Government and Other Approvals*" beginning on page 204 and under the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* beginning on page 155 of this Draft Red Herring Prospectus. Further, our Promoters have given certain personal guarantees in relation to loan facilities availed by our Company. For details, refer chapter titled "*Financial Indebtedness*" beginning on page 192 of this Draft Red Herring Prospectus.

Payments or Benefits to our Promoters

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Draft Red Herring Prospectus except as mentioned / referred to in this chapter and under the chapters titled *"Our Management"* and *"Financial Statements"* beginning on page 122 and 155 respectively, of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, there is no bonus or profit sharing plan for our Promoters.

Companies from which our Promoter has disassociated itself during the preceding three years

Our Promoters have not disassociated themselves from any company in the preceding three years.

Other Confirmations

We confirm that the Permanent Account Number, bank account number and passport number of our Individual Promoters and the Permanent Account Number and bank account number of Corporate Promoter will be submitted to Stock Exchange on which the Equity Shares are proposed to be listed, at the time of filing this Draft Red Herring Prospectus with the Stock Exchange**.**

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.

Our Promoters and our Promoter Group, including relatives of our Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority. Further, there are no violations of securities laws committed by our Promoters and Promoter Group in the past or are pending against them.

Related Party Transactions

For details pertaining to our related party transactions please refer to the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* beginning on page 155 of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

Our Promoter Group includes such persons and entities constituting our Promoter Group in terms of Regulation 2(zb) of the SEBI ICDR Regulations. Hence, the following natural persons (being the immediate relative of our Promoters) form part of our Promoter Group:

I. ***Natural persons who are part of our Promoter Group:***

Natural Persons who are part of our Promoter Group due to their relationship with Individual Promoters Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi:

Relationship	Promoters	
	Dr. Vinod Kumar Chaturvedi	**Mr. Manoj Chaturvedi**
Father	Late Mr. Murarilal Chaturvedi	Late Mr. Murarilal Chaturvedi
Mother	Mrs. Rama Devi Chaturvedi	Mrs. Rama Devi Chaturvedi
Brother	Mr. Manoj Chaturvedi	Dr. Vinod Kumar Chaturvedi
Sister	Mrs. Meena Chaturvedi Late Mrs. Beena Chaturvedi	Mrs. Meena Chaturvedi Late Mrs. Beena Chaturvedi
Spouse	Mrs. Samata Chaturvedi	Mrs. Shimla Chaturvedi
Children	Mr. Shreyash Chaturvedi Ms. Shruti Chaturvedi	Mr. Sudhanshu Chaturvedi Ms. Sakshi Chaturvedi
Spouse's Father	Mr. N. K. Chaturvedi	Mr. Umesh Chand Chaturvedi
Spouse's Mother	Mrs. Shankuntala Chaturvedi	Mrs. Motibai Chaturvedi
Spouse's Brother	Mr. Lalit Kishore Chaturvedi Late Mr. K. K. Chaturvedi	Mr. Sanjeev Chaturvedi Mr. Rajeev Chaturvedi
Spouse's Sister	Late Mrs. Mamta Chaturvedi	Mrs. Anupam Chaturvedi

II. ***Corporate entities forming part of our Promoter Group***

As specified in Regulation 2 (zb) of the SEBI ICDR Regulation, the companies that form part of our Promoter Group are as follows:

Sr. No.	Name
1.	Usher Agro Limited
2.	Usher Capital Limited
3.	Usher Oils and Foods Limited
4.	Usher Infra Logic Limited
5.	Vedika Finance Private Limited
6.	Narayani Nivesh Nigam Private Limited

OUR GROUP ENTITIES

The SEBI ICDR Regulations defined Group Companies to mean companies, firms, ventures etc. promoted by the promoters of the issuer, irrespective of whether such entities are covered under Section 370(1)(b) of the Companies Act, 1956 or not. As on the date of this Draft Red Herring Prospectus the companies promoted by our Promoters comprising our Group Entities are the following:

Our Group Companies are as follows:

1. Usher Agro Limited;
2. Usher Oils and Foods Limited;
3. Usher Infra Logic Limited;
4. Narayani Nivesh Nigam Private Limited; and
5. Vedika Finance Private Limited; and
6. Usher Capitals Limited

1) Usher Agro Limited ("UAL")

Date of Incorporation	June 20, 1996
Registration No (CIN)	U01100MH1996PLC100380
Registrar	Registrar of Companies, Maharashtra at Mumbai
Registered Office	422, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai-400 053, Maharashtra.
Nature of Activities	UAL is an agri-food processing company primarily engaged in milling and processing of rice and wheat in Northern India focusing mainly on non-basmati rice and wheat products such as atta, maida, suji, etc. UAL's plants are based in Uttar Pradesh and Bihar, which are among the main rice and wheat growing regions in India.

Promoters of UAL

UAL, the Corporate Promoter of our Company, is promoted by Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi.

Board of directors

1. Dr. Vinod Kumar Chaturvedi
2. Mr. Manoj Chaturvedi;
3. Mr. Vijay Ranchan;
4. Mr. Ajay Prakash Arora;
5. Dr. Shri Prakash Arora; and
6. Mr. N. Krishnan.

Shareholding Pattern of UAL as on December 31, 2011

Category code	**Category of Shareholder**	**Number of Shareholders**	**Total number of equity shares**	**Number of equity shares held in dematerialized form**	**Total shareholding as a percentage of total number of equity shares**		**Shares Pledged or otherwise encumbered**	
					As a percentage of(A+B)	**As a percentage of (A+B+C)**	**Number of equity shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)* 100
(A)	**Shareholding of Promoter and Promoter Group[2]**							
1	**Indian**							

Category code	Category of Shareholder	Number of Shareholders	Total number of equity shares	Number of equity shares held in dematerialized form	Total shareholding as a percentage of total number of equity shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of equity shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)* 100
(a)	Individuals/ Hindu Undivided Family*	3	75,07,500	75,07,500	19.73	19.73	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	3	34,12,832	34,12,832	8.97	8.97	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(1)	**6**	**1,09,20,332**	**1,09,20,332**	**28.69**	**28.69**	**0**	**0.00**
2	**Foreign**							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**6**	**1,09,20,332**	**1,09,20,332**	**28.69**	**28.69**	**0**	**0.00**
(B)	**Public shareholding**							
1	**Institutions**							
(a)	Mutual Funds/ UTI		0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	2	14,29,433	14,29,433	3.76	3.76	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	1	1,19,058	1,19,058	0.31	0.31	0	0.00
(f)	Foreign Institutional Investors	4	29,29,767	29,29,767	7.70	7.70	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**7**	**44,78,258**	**44,78,258**	**11.77**	**11.77**	**0**	**0.00**

Category code	Category of Shareholder	Number of Shareholders	Total number of equity shares	Number of equity shares held in dematerialized form	Total shareholding as a percentage of total number of equity shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a percentage of (A+B+C)	Number of equity shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)* 100
B 2	**Non-institutions**							
(a)	Bodies Corporate	279	1,42,47,752	1,42,47,752	37.44	37.44	0	0.00
(b)	Individuals	0	0	0	0.00	0.00	0	0.00
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	5,514	17,15,369	17,15,254	4.51	4.51	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	51	40,53,570	40,53,570	10.65	10.65	0	0.00
(c)	Any Other (specify)	-	-	-	-	-	-	-
(c-i)	NSDL (TRANSIT)	6	5,060	5,060	0.01	0.01	0	0.00
(c-ii)	NRI	87	22,00,570	22,00,570	5.78	5.78	0	0.00
(c-iii)	KARTA / HUF	178	4,38,128	4,38,128	1.15	1.15	0	0.00
	Sub-Total (B)(2)	**6,115**	**2,26,60,449**	**2,26,60,334**	59.54	59.54	0	0.00
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**6,122**	**2,71,38,707**	**2,71,38,592**	**71.31**	**71.31**	**0**	**0.00**
	TOTAL (A)+(B)	**6,128**	**3,80,59,039**	**3,80,58,934**	**100.00**	**100.00**	**0**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
2	Public	0	0	0	0	0.00	0	0.00
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**6,128**	**38,059,039**	**3,80,58,934**	**0**	**100.00**	**0**	**0.00**

*2,25,000 equity shares(under the sub heading, total shareholding of promoter and promoter group) belonging to Mr. V.K. Chaturvedi has been given as margin.

Financial Performance

(₹in lacs)

Particulars	For FY		
	2009	2010	2011
Equity Capital	2,126.22	2,226.22	3,805.90
Reserves and Surplus (except revaluation reserve)	4,422.06	7,780.79	19,781.22
Sales	20,895.03	34,200.41	56,074.57
Profit / (Loss) after tax	1,484.65	2,352.63	3,542.45
Earnings per share (₹)	7.26	10.91	11.98
Diluted Earnings per share (₹)	7.26	9.69	11.98
Net Asset Value Per Share (₹)	30.79	44.95	61.97

Public or rights issue in the preceding three years

Public Issue

Usher Agro Limited had made a public issue of 1,20,12,000 equity shares of face value of ₹ 10 each at a premium of ₹ 5 per equity share, aggregating to ₹ 18,01,80,000 in September 2006. The issue included a net issue to public of 88,12,000 equity share of face value of ₹ 10 each at a premium of ₹ 5 per equity share aggregating to ₹ 13,21,80,000 and promoter contribution of 32,00,000 equity shares of face value of ₹ 10 each at a premium of ₹ 5 per equity share aggregating to ₹ 4,80,00,000.

Qualified Institutional Placement

Usher Agro Limited, had made a qualified institutional placement of 1,07,96,800 equity shares of face value of ₹ 10 each at a price of ₹ 92.62 per equity share (including premium of ₹ 82.62 per equity shares) to qualified intuitional buyers on November 29, 2010 for the purpose of modernization and expansion of their rice milling plant, building of silos, expansion of wheat milling capacity and long term working capital requirement.

Share Quotation

The equity shares of UAL got listed on the BSE on October 6, 2006 and on the NSE on July 30, 2010.

The monthly high and low of the closing market price of the equity shares of UAL having a face value of ₹ 10 each on BSE for the last six months is as follows:

Month	High (₹)	Low (₹)
August 2011	141.50	122.85
September 2011	130.75	121.25
October 2011	128.50	120.10
November 2011	127.80	82.55
December 2011	101.70	54.15
January 2012	54.15	36.15

(Source: BSE Website)

The monthly high and low of the closing market price of the equity shares of UAL having a face value of ₹ 10 each on NSE for the last six months is as follows:

Month	High (₹)	Low (₹)
August 2011	140.50	122.50
September 2011	130.80	121.60
October 2011	128.90	118.80
November 2011	128.15	82.80
December 2011	101.85	55.50
January 2012	52.75	36.95

(Source: NSE Website)

The market capitalisation of UAL on the closing price of ₹ 42.95 per equity share on the BSE as on January 27, 2012 was ₹ 16,346.36 lacs.
The market capitalisation of UAL on the closing price of ₹ 42.57 per equity share on the NSE as on January 27, 2012 was ₹ 16,201.73 lacs.

2) Usher Oils and Foods Limited ("UOFL")

Date of Incorporation	February 20, 2008
Registration No (CIN)	U15400MH2008PLC179155
Registrar	Registrar of Companies, Maharashtra at Mumbai
Registered Office	424, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400 053, Maharashtra
Nature of Activities	UOFL was formed to carry on the business of milling or to erect, construct, establish, acquire on lease or hire factories or mills for manufacturing, processing and refining oil of all varieties and manufacturing, processing, preparing etc. of various types of food items.

Board of directors

1. Dr. Vinod Kumar Chaturvedi;
2. Mr. Manoj Chaturvedi; and
3. Mr. Ajay Prakash Arora.

Shareholding pattern

The shareholding pattern of UOFL as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Shares of face value ₹ 10 each	Percentage of share capital (%)
1.	Dr. Vinod Kumar Chaturvedi	49,400	98.80
2.	Mrs. Rutika Pawar	100	00.20
3.	Mr. Yogesh Chaturvedi	100	00.20
4.	Mr. Rajesh Malpani	100	00.20
5.	Ms. Sangeeta Kumbhar	100	00.20
6.	Mr. Dharmendra Jaiswal	100	00.20
7.	Mr. Anil Singh	100	00.20
	Total	**50,000**	**100.00**

There has been no change in the capital structure in the last six months from the date of this Draft Red Herring Prospectus.

Financial information

(₹in lacs)

Particulars	For FY		
	2009	**2010**	**2011**
Equity Capital	5	5	5
Reserves and Surplus (except revaluation reserve)	Nil	Nil	Nil
Sales	Nil	226.25	4276.59
Profit / (Loss) after tax	(1.29)	(0.09)	(13.23)
Earnings per share (₹)	(2.60)	(0.19)	(26.48)
Diluted Earnings per share (₹)	(2.60)	(0.19)	(26.48)
Net Asset Value Per Share (₹)	7.40	7.20	(19.27)

The equity shares of UOFL are not listed on any of the stock exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against UOFL by any stock exchange or SEBI.

UOFL is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. UOFL is not under winding up, however it has negative net worth in FY 2009, FY 2010 and FY 2011. There are no defaults in meeting any statutory/bank/institutional dues and has not been declared as a wilful defaulter as per Reserve Bank of India. Further UOFL has not been declared as a defunct company under Companies Act.

3) Usher Infra Logic Limited ("UILL")

Date of Incorporation	February 20, 2008
Registration No (CIN)	U63000MH2008PLC179148
Registrar	Registrar of Companies, Maharashtra at Mumbai
Registered Office	423, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400 053, Maharashtra
Nature of Activities	UILL was incorporated with the object of carrying on the business of transport, cartage and haulage contractors, carriers, packers, removers, clearing, forwarding and shipping agents, wharfinger and to handle cargo, goods, luggage, freight and parcels, whether commercial or otherwise to and from any part of the world

Board of directors

1. Dr. Vinod Kumar Chaturvedi;
2. Mr. Manoj Chaturvedi; and
3. Mr. Ramesh Purohit.

Shareholding pattern

The shareholding pattern of UILL as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Shares of face value ₹ 100	Percentage of share capital (%)
1.	Dr. Vinod Kumar Chaturvedi	49,400	98.8
2.	Mrs. Rutika Pawar	100	00.2
3.	Mr. Yogesh Chaturvedi	100	00.2
4.	Mr. Rajesh Malpani	100	00.2
5.	Ms. Sangeeta Kumbhar	100	00.2
6.	Mr. Dharmendra Jaiswal	100	00.2
7.	Mr. Anil Singh	100	00.2
	Total	**50,000**	**100.00**

There has been no change in the capital structure in the last six months from the date of this Draft Red Herring Prospectus.

Financial information

(₹ in lacs)

Particulars	2009	2010	2011
Equity Capital	5.00	5.00	5.00
Reserves and Surplus (except revaluation reserve)	Nil	Nil	Nil
Sales	Nil	Nil	181.42
Profit / (Loss) after tax	(1.20)	(5.83)	1.45
Earnings per share (₹)	(2.41)	(11.64)	2.91
Diluted Earnings per share (₹)	(2.41)	(11.64)	2.91
Net Asset Value Per Share (₹)	7.58	(4.06)	(1.15)

Other disclosures:

The equity shares of UILL are not listed on any of the stock exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against UILL by any stock exchange or SEBI.

UILL is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. UILL is not under winding up, however it has negative net worth in FY 2009, FY 2010 and FY 2011. There are no defaults in meeting any statutory/bank/institutional dues and has not been declared as a wilful defaulter as per Reserve Bank of India. Further UILL has not been declared as a defunct company under Companies Act.

4) Narayani Nivesh Nigam Private Limited ("NNNPL")

Date of Incorporation	January 4, 2008
Registration No (CIN)	U67100MH2008PTC177327
Registrar	Registrar of Companies, Maharashtra at Mumbai
Registered Office	422, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400 053, Maharashtra
Nature of Activities	NNNPL was incorporated to act as investment counsellors in different areas and to make investment in shares and securities, movable or immovable properties and to undertake other investment related activities.

Board of directors

1. Dr. Vinod Kumar Chaturvedi and
2. Mr. Manoj Chaturvedi

Shareholding pattern

The shareholding pattern of NNNPL as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Shares of face value ₹ 10	Percentage of share capital (%)
1.	Dr. Vinod Kumar Chaturvedi	5000	50.00
2.	Mr. Manoj Chaturvedi	5000	50.00
	Total	**10,000**	**100.00**

There has been no change in the capital structure in the last six months from the date of this Draft Red Herring Prospectus.

Financial information

(₹in lacs)

Particulars	For FY		
	2009	**2010**	**2011**
Equity Capital	1.00	1.00	1.00
Reserves and Surplus (except revaluation reserve)	Nil	Nil	Nil
Sales	5.31	22.46	31.02
Profit / (Loss) after tax	(3.12)	(1.63)	(17.54)
Earnings per share (₹)	(31.20)	(16.30)	(175.40)
Diluted Earnings per share (₹)	(31.20)	(16.30)	(175.40)
Net Asset Value Per Share (₹)	(21.20)	(37.49)	(212.88)

The equity shares of NNNPL are not listed on any of the stock exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against NNNPL by any stock exchange or SEBI.

NNNPL is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. NNNPL is not under winding up, however it has negative net worth in FY 2009, FY 2010 and FY 2011. There are no defaults in meeting any statutory/bank/institutional dues and has not been declared as a wilful defaulter as per Reserve Bank of India. Further NNNPL has not been declared as a defunct company under Companies Act.

5) Vedika Finance Private Limited ("VFPL")

Date of Incorporation	April 9, 1992
Registration No (CIN)	U65944MH1992PTC066289
Registrar	Registrar of Companies, Maharashtra at Mumbai
Registered Office	423, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400 053, Maharashtra
Nature of Activities	VFPL was incorporated with the object to perform and undertake activities pertaining to lending and finance, consumer finance, corporate finance and financing against securities and bills discounting.

Board of directors

1. Dr. Vinod Kumar Chaturvedi and
2. Mr. Manoj Chaturvedi

Shareholding pattern

The shareholding pattern of VFPL as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Shares of face value ₹ 100	Percentage of share capital (%)
1.	Dr. Vinod Kumar Chaturvedi	37,500	62.50
2.	Mrs. Samata Chaturvedi	12,800	21.33
3.	Ms. Shruti Chaturvedi	9,700	16.17
	Total	**60,000**	**100.00**

There has been no change in the capital structure in the last six months from the date of this Draft Red Herring Prospectus.

Financial information

(₹in lacs)

Particulars	For FY		
	2009	**2010**	**2011**
Equity Capital	6.00	6.00	6.00
Reserves and Surplus (except revaluation reserve)	Nil	Nil	Nil
Sales	0.86	31.41	18.97
Profit / (Loss) after tax	(23.20)	0.45	(5.06)
Earnings per share (₹)	(38.68)	0.75	(8.43)
Diluted Earnings per share (₹)	(38.68)	0.75	(8.43)
Net Asset Value Per Share (₹)	(2.35)	(1.60)	(10.04)

Other disclosures:

The equity shares of VFPL are not listed on any of the stock exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against VFPL by any stock exchange or SEBI.

VFPL is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. VFPL is not under winding up, however it has negative net worth in FY 2009, FY 2010 and FY 2011. There are no defaults in meeting any statutory/bank/institutional dues and has not been declared as a wilful defaulter as per Reserve Bank of India. Further VFPL has not been declared as a defunct company under Companies Act.

6) Usher Capitals Limited ("UCL")

Date of Incorporation	April 29, 2008
Registration No (CIN)	U67190MH2008PLC181733
Registrar	Registrar of Companies, Maharashtra at Mumbai
Registered Office	423, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053, Maharashtra
Nature of Activities	UCL was formed to promote formation and mobilization of capital, to manage capital savings and investments, to purchase, finance, discount bills of exchange, to borrow, to lend, to negotiate loans and to carry on the business of financing industrial enterprise etc.

Board of directors

1. Dr. Vinod Kumar Chaturvedi;
2. Mr. Manoj Chaturvedi; and
3. Mr. Ajay Prakash Arora.

Shareholding pattern

The shareholding pattern as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Shares of face value ₹ 10 each	Percentage of share capital (%)
1.	Dr. Vinod Kumar Chaturvedi	49,400	98.80
2.	Mrs. Rutika Pawar	100	00.20
3.	Mr. Yogesh Chaturvedi	100	00.20
4.	Mr. Rajesh Malpani	100	00.20
5.	Ms. Sangeeta Kumbhar	100	00.20
6.	Mr. Dharmendra Jaiswal	100	00.20
7.	Mrs. Monika Malpani	100	00.20
	Total	**50,000**	**100.00**

There has been no change in the capital structure in the last six months from the date of this Draft Red Herring Prospectus.

Financial information

(₹in lacs)

Particulars	For FY		
	2009	2010	2011
Equity Capital	5.00	5.00	5.00
Reserves and Surplus (excluding revaluation reserve)	Nil	Nil	Nil
Sales	Nil	Nil	8.40
Profit / (Loss) after tax	(2.13)	(1.53)	(13.79)
Earnings per share (₹)	(4.25)	(3.06)	(27.60)
Diluted Earnings per share (₹)	(4.25)	(3.06)	(27.60)
Net Asset Value Per Share (₹)	5.75	2.69	(24.9)

The equity shares of UCL are not listed on any of the stock exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against UCL by any stock exchange or SEBI.

UCL is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. UCL is not under winding up, however it has negative net worth in FY 2009, FY 2010 and FY 2011. There are no defaults in meeting any statutory/bank/institutional dues and has not been declared as a wilful defaulter as per Reserve Bank of India. Further UCL has not been declared as a defunct company under Companies Act.

Common Pursuits

Except for the 1MW captive power plant set up by UAL at Tehsil Chhata, Mathura, Uttar Pradesh, to supply power for the rice milling activities none of our Group Companies are in a similar line of business as our Company.

Business interest of Group Companies

Except for the "Raw Materials Supply Agreement" between Usher Agro Limited and our Company dated September 26, 2008. "Memorandum of Understanding dated July 30, 2010 and except as stated in the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* and under the paragraph titled *"Property"* under the chapter titled *"Our Business"* beginning on pages 155 and 98 respectively, of this Draft Red Herring Prospectus, none of our Group Companies/associate companies has any business interest in our Company. For details relating to agreement between Usher Agro Limited and our Company refer to chapter titled *"Our Business"* and *"History and Other Corporate Matters"* beginning on pages 92 and 114 respectively of this Draft Red Herring Prospectus.

Sales or Purchases between Company and our Group Companies

For details of sales and purchases between Company, Promoter Group and Group Companies please refer to the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* beginning on page 155 of this Draft Red Herring Prospectus.

Disassociated companies

Our Company has not disassociated from any company in the past three years.

Previous Public or Rights Issues by our Group Companies

Except as disclosed in chapter *"Our Group Entities",* "*Our Promoters and their Background"* and "*Other Statutory and Regulatory Matters*" beginning on pages 143, 135 and 208 respectively in this Draft Red Herring Prospectus, our Company, Promoter and Group Entities have not made any public, rights issue or any placement.

Loss making companies

Except for the following, none of our Group Entities has made a loss in the preceding 3 years.

1. Usher Capitals Limited
2. Usher Oils and Foods Limited
3. Usher Infra Logic Limited
4. Vedika Finance Private Limited
5. Narayani Nivesh Nigam Private Limited

For risks related to loss making group companies please refer to chapter titled "*Risk Factors"* beginning on page 12 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, general financial conditions, capital requirements and surplus, results of operations, contractual obligations and overall financial position, applicable Indian legal restrictions, our Articles of Association and other factors considered relevant by the Board of Directors.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects. Further, pursuant to the terms of the term loans obtained by our Company, prior written consent of the lenders of our Company is required to pay any dividends. The Board of Directors may also, from time to time, pay interim dividend. All dividend payments are made in cash to the shareholders of our Company. Our Company has not declared any dividends since its incorporation.

RELATED PARTY TRANSACTION

For details of related party transaction, refer to the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* beginning on page 155 of this Draft Red Herring Prospectus.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' Report as required by Part II of Schedule II of the Companies Act, 1956

To,
The Board of Directors
Usher Eco Power Ltd.
424 Laxmi Plaza,
Laxmi Industrial Estate,
New Link Road, Andheri (West)
Mumbai – 400053

Dear Sirs,

1. We have examined the financial information of **Usher Eco Power Ltd** ("the Company") for the purpose of its inclusion in Draft Red Herring Prospectus (DRHP) prepared by the Company in connection with its proposed Initial Public Offering ("IPO"). Such financial information comprises of (A) Financial Information as per Restated Summary Statements and (B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirement of:

   (a) paragraph B (1) of Part II of Schedule II of the Indian Companies Act, 1956 ("the Act"); and

   (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations").

2. We have examined such financial information taking into consideration :

   a. the terms of reference agreed with the Company vide engagement letter dated September 26, 2011 relating to work on such financial information, proposed to be included in the DRHP of the Company in connection with its proposed IPO; and

   b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

Financial Information

3. The financial information referred to above, relating to profits, assets and liabilities and cash flows of the Company is contained in the following annexures to this report:

   a) **Annexure I** containing the Summary Statement of Restated Assets and Liabilities as at March 31, 2011, 2010, 2009, 2008 and September 30, 2011.
   b) **Annexure II** containing the Summary Statement of Restated Profit and Loss for the years ended March 31, 2011, 2010, 2009, period ended March 31, 2008 and six months ended September 30, 2011.
   c) **Annexure III** containing the Summary Statement of Restated Cash Flows for the years ended March 31, 2011, 2010, 2009, period ended March 31, 2008 and six months ended September 30, 2011.
   d) **Annexure IV** containing the Summary of Significant Accounting Policies and Notes to Restated Accounts.

   - collectively referred to as the "Restated Summary Statements"

4. The aforesaid statements have been extracted by the Management from the financial statements of the Company for those years, which have been audited by us except Cash Flow Statement of the Company for the period ended March 31, 2008, which has been prepared by the Management and reviewed by us.

5. The Restated Summary Statements have been arrived at after making such adjustments and regroupings 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 the same, we confirm that:

   a) there are no extraordinary items, which need to be disclosed separately in the Restated Summary Statements; and
   b) there are no qualifications in auditors' reports that require an adjustment in the Restated Summary Statements.

Other Financial Information

6. Other financial information relating to the Company which is based on the Restated Summary Statements is attached in Annexures V to XVI to this report as listed hereunder:

    1. Annexure V – Statement of Dividend Paid
    2. Annexure VI – Statement of Other Income
    3. Annexure VII – Calculation of Accounting Ratio
    4. Annexure VIII – Capitalization Statement
    5. Annexure IX – Tax Shelter Statement
    6. Annexure X – Statement of Secured Loans
    7. Annexure XI – Statement of Unsecured Loans
    8. Annexure XII – Statement of Investments
    9. Annexure XIII – Statement of Sundry Debtors
    10. Annexure XIV – Statement of Loans And Advances
    11. Annexure XV – Commitments and Contingent Liabilities
    12. Annexure XVI – Statement of Related Party Transactions

7. In our opinion, the financial information of the Company as stated in Para 3 above and Other financial information as stated in Para 6 above, read with the Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Notes to Accounts, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.

8. This report should not in any way be construed as a reissuance or redating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

9. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

10. This report is intended solely for your information and for inclusion in the DRHP in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Date: January 21, 2012

Annexure - I
Summary Statement of Restated Assets & Liabilities

						(Amount in Rs.)
Sr. No.	**Particulars**	**As at**				
		30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
(A).	**Fixed Assets**					
	I. Tangible Assets					
	Gross Block	63,119,222	62,950,047	58,537,718	58,537,718	37,691,200
	Less : Depreciation	622,493	367,784	127,416	60,364	8,013
	Net Block	62,496,729	62,582,263	58,410,302	58,477,354	37,683,187
	II. Intangible Assets(Net)	992,700	1,029,467	-		
	III. Capital Work in Progress including Capital advances	604,478,724	258,969,791	11,231,078	1,989,451	337,080
	IV. Pre Operative Expenses	128,981,690	51,473,614	19,600,524	11,249,751	2,635,892
	Sub Total (A)	**796,949,843**	**374,055,135**	**89,241,904**	**71,716,556**	**40,656,159**
(B).	**Investments**	-	-	-	-	-
	Sub Total (B)	**-**	**-**	**-**	**-**	**-**
(C).	**Current Assets, Loans and Advances**					
	Inventories	-	-	-	-	-
	Sundry Debtors	-	-	-	-	-
	Cash & Bank Balances	30,026,913	248,491,517	254,772,151	1,494,919	2,752,949
	Loans and Advances	52,089,777	85,024,822	94,218,017	7,952,507	2,222,660
	Sub Total (C)	**82,116,690**	**333,516,339**	**348,990,168**	**9,447,426**	**4,975,609**
(D).	**Liabilities and Provisions**					
	Secured Loans	599,666,970	466,375,334	248,269,000	-	-
	Unsecured Loans	-	-	-	-	-
	Current Liabilities	44,900,924	6,343,935	1,333,449	792,435	1,271,942
	Provisions	178,641	202,920	54,808	-	-
	Share Application Money	300,000	46,302,000	90,575,000	19,375,000	28,390,000
	Sub Total (D)	**645,046,535**	**519,224,189**	**340,232,257**	**20,167,435**	**29,661,942**
(E).	**Net Worth (A+B+C-D)**	**234,019,998**	**188,347,285**	**97,999,815**	**60,996,547**	**15,969,826**
(F).	**Represented by -**					
	Share Capital	241,005,000	194,703,000	102,533,000	64,863,000	16,700,000
	Reserves & Surplus	-	-	-	-	-
	Less : Miscellaneous Expenditure not written off	-	-	-	-	584,139
	Less : Profit & Loss Account	6,985,002	6,355,715	4,533,185	3,866,453	146,035
	Net Worth (F)	**234,019,998**	**188,347,285**	**97,999,815**	**60,996,547**	**15,969,826**
		-	-	-	-	-

Notes:
The above statement should be read with the Notes to the Summary Statement of Restated Assets and Liabilities, Profits & Losses and Cash Flows as appearing in Annexure IV.

Annexure II
Summary Statement of Restated Profit & Loss Account

(Amount in Rs.)

Sr. No.	Particulars	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	For the period ended 31-Mar-08
(A).	**Income**					
	Net sales of products manufactured by the Company	-	-	-	-	-
	Other Income	37,480	49,842	80,317		
	Increase /(Decrease) in Stock	-	-	-	-	-
	Total	**37,480**	**49,842**	**80,317**	**-**	**-**
(B).	**Expenditure**					
	Raw Material Consumed	-	-	-	-	-
	Staff Cost	-	-	-	-	-
	Other Manufacturing Expenses	-	-	-	-	-
	Administration Expenses	630,000	1,798,839	747,049	70,000	-
	Selling & Distribution Expenses	-	-	-	-	-
	Finance Expenses	-	-	-	3,628,079	-
	Depreciation / Amortisation	36,767	73,533	-	-	-
	Preliminary Expenses written off	-	-	-	22,339	146,035
	Total	**666,767**	**1,872,372**	**747,049**	**3,720,418**	**146,035**
(C).	**Net Proft / (Loss) before Extra Ordinary Items & Tax (A-B)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**
(D).	Current tax	-	-	-	-	-
(E).	**Net Proft / (Loss) before Extra Ordinary Items (C-D)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**
(F).	Less : Extra Ordinary Items	-	-	-	-	-
(G).	**Net Proft / (Loss) after Extra Ordinary Items & Tax (E-F)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**

Notes:
The above statement should be read with the Notes to the Summary Statement of Restated Assets and Liabilities, Profits & Losses and Cash Flows as appearing in Annexure IV.

Annexure - III

Summary Statement of Restated Cash Flows

						(Amount in Rs.)
Sr. No.	**Particulars**	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
A.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit/(Loss) before Tax	(629,287)	(1,822,530)	(666,732)	(3,720,418)	(146,035)
	Less: Other Income	(37,480)	(29,842)	(80,317)		
	Less: Preliminary expenses written off		0		22,339	146,035
	Add: Depreciation\Amortisation	36,767	73,533			
	Operating Profit/(Loss) before working capital changes	**(630,000)**	**(1,778,839)**	**(747,049)**	**(3,698,079)**	**0**
	Adjustments for movement in working capital:					
	Increase/(Decrease) in Sundry Creditors & Other Payables	38,606,989	5,010,486	541,014	(479,507)	1,271,942
	(Increase) / Decrease in Loans & Advances	(1,504,171)	2,581,803	(1,032,007)	(19,164)	2,000,000
		36,472,818	5,813,450	(1,238,042)	(4,196,750)	3,271,942
	Add / (Less) : Direct Taxes	(3,748)	0	(9,562)		
	Cash from / (Used in) Operating Activities (A)	**36,469,070**	**5,813,450**	**(1,247,604)**	**(4,196,750)**	**3,271,942**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Increase in Balance in Pre Operative Expenditure during the year	(77,508,076)	(31,873,090)	(8,350,773)	(8,613,859)	(2,635,892)
	Adjustments for:					
	Depreciation	254,709	244,912	67,052	52,351	8,013
	Unrealised Foreign Exchange Fluctuation Loss	51,146,053	(2,823,838)	480,212		
	Interest and Financial charges paid	13,959,463	13,912,331	75,067		
	Upfront Fees Amortised	3,305,696	6,611,393			
	Provision for Gratuity	103,181	148,112	54,808		
	Provision for Leave Encashment	75,460	0			
		(8,663,514)	**(13,780,180)**	**(7,673,634)**	**(8,561,508)**	**(2,627,879)**
	Less: Gratuity paid to trust	(202,920)	**0**	0	0	0
		(8,866,434)	**(13,780,180)**	**(7,673,634)**	**(8,561,508)**	**(2,627,879)**
	(Increase) / Decrease in Capital Work in Progress	(345,508,933)	(247,738,713)	(9,241,627)	(1,652,371)	(337,080)
	Purchase of Fixed Assets	(169,175)	(5,563,039)		(20,846,518)	(37,691,200)
	Sale of Fixed Assets	0	44,190			0
	Investment in Fixed Deposit Receipt	(1,000,000)		(2,625,000)		0
	Interest Income	0	28,818	80,317		0
	Refund of Fixed Deposit Receipt		2,625,000			

Sr. No.	Particulars	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	(Amount in Rs.) For the period ended 31-Mar-08
	Cash from / (Used in) Investing Activities (B)	**(355,544,542)**	**(264,383,924)**	**(19,459,944)**	**(31,060,397)**	**(40,656,159)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from Borrowings	83,700,613	221,433,434	247,170,000		
	Repayments of Borrowings	(417,348)				
	Refund of loan processing fees	31,171,000	0	0		
	Interest and Financial charges paid	(15,143,397)	(13,912,331)	(75,067)		
	Upfront charges and loan processing fees paid			(84,062,141)		
	Pre IPO Expenses paid			(1,161,800)	(5,148,883)	(4,222,660)
	Proceeds from Issue of Shares		0	37,670,000	19,773,000	16,700,000
	Preliminary Expenses					(730,174)
	Increase /(Decrease) in Share Application Money	300,000	47,897,000	71,200,000	19,375,000	28,390,000
	Cash from / (Used in) Financing Activities (C)	**99,610,868**	**255,418,103**	**270,740,992**	**33,999,117**	**40,137,166**
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	**(219,464,604)**	**(3,152,371)**	**250,033,444**	**(1,258,030)**	**2,752,949**
	Cash & Cash equivalent as at beginning of the year	248,491,517	252,147,151	1,494,919	2,752,949	0
	Cash & Cash equivalent as at end of the year	29,026,913	248,491,517	252,147,151	1,494,919	2,752,949
	Effect of Exchange rate changes		503,263	(618,788)		
	Net Increase/ (Decrease) in Cash & Cash Equivalents	**(219,464,604)**	**(3,152,371)**	**250,033,444**	**(1,258,030)**	**2,752,949**

Notes:
i) The above statement should be read with the Notes to the Summary Statement of Restated Assets and Liabilities, Profits & Losses and Cash Flows as appearing in Annexure IV.
ii) Figures in bracket indicate cash outflow

Annexure - IV
Summary of Significant Accounting Policies And Notes to Restated Accounts

A. Table Highlighting Material Adjustment

The summary of results of material adjustments made in the audited financial statements for the respective years and its impact on the profits of the Company is as follows:

Particulars	Notes	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	For the period ended 31-Mar-08
Profit after Tax as per Audited Financial Statements		(629,287)	(1,822,530)	(4,294,811)	(92,339)	(146,035)
Material Adjustments due to						
Write off of loan processing fees	B.1(a)			3,628,079	(3,628,079)	
Restated Profit after Tax		(629,287)	(1,822,530)	(666,732)	(3,720,418)	(146,035)

B. Note on Material Adjustments

B.1. Material Adjustments relating to previous years

B.1.(a) During the year ended 31st March 2009, the Company had paid processing fees of Rs 36,28,079 for its proposed borrowing from State Bank of India. The same was shown under Loans & Advances as the loan was to be disbursed in 2009-10 but the loan was cancelled as a result of which the processing fees was expensed off in the year 2009-10. Accordingly in Restated Financial Information, the processing fees written off in 2010 has been restated and written off in the year to which it pertains i.e. 31st March 2009. Corresponding adjustments have been made to Loans & Advances outstanding as on March 31, 2009 and profit/(loss) for the year ended 31st March 2010.

Restatement affecting Assets as at year end

B.1.(b) The Company had paid processing fees of Rs.84062141 in March 2010 for its External Commercial Borrowing which was amortised over the period of loan and included under Pre Operative Expenditure in accounts for year ended March 31, 2011. Subsequently, in the six months ended September 30, 2011, on refund of excess processing fees of Rs.3,11,71,000, the Company wrote back excess amortisation of borrowing cost of Rs.3896375 for the year ended March 31, 2011 in accounts for six months ended September 30, 2011.

In the restated accounts, adjustment has been made to reflect amortisation of net borrowing cost of Rs.52891141 over the period of loan from year ended March 31, 2011 in Pre Operative Expenditure and corresponding effect has been given to Unamortised Borrowing cost included under Loans & Advances as on March 31, 2011 and September 30, 2011. i.e. Unamortised Borrowing cost as on March 31, 2011 has been increased by Rs.3896375 and corresponding reduction in Pre Operative expenditure as on March 31, 2011.

B.2. Material Reclassifications

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expense, assets and liabilities, in order to bring them in line with the classification as per audited financials for the six months ended 30th September 2011 and requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended)

C. Summary of Significant Accounting Policies And Notes to Restated Accounts

C.1 Significant Accounting Policies

C.1.1. Basis of Preparation of Financial Statements

The Financial statements are prepared on an accrual basis, following the historical cost convention and in accordance with the Generally Accepted Accounting principles and Accounting Standards prescribed by Companies (Accounting Standard) Rules, 2006 and provisions of the Companies Act, 1956 to the extent applicable and in the manner so required.

C.1.2. Treatment of expenditure during construction period

Expenditure incurred during construction period which is directly or indirectly related to the 16 MW Biomass based power project is included under Pre-operative Expenses and the same will be allocated to the respective Fixed Assets upon completion of construction.

C.1.3. Fixed Assets

Tangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

All expenditure pertaining to project under construction and other preoperative expenses incurred during the construction period unless otherwise stated, are capitalized till the commencement of Production /till the date assets are put in use.

Intangible Assets

Intangible Assets have been recorded on their cost of acquisition.

C.1.4. Depreciation

Tangible Assets

Depreciation on fixed assets is provided on pro-rata basis as per straight line method at the rate and manner specified in Schedule XIV of the Companies Act, 1956.

Intangible Assets

Intangible Asset represented by Patent & Knowhow is amortized over a period of 15 years on straight line basis, being the period of license, which is beyond the maximum period of 10 year as specified in Accounting Standard 26 " Intangible Assets".

C.1.5. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C.1.6. Impairment

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

C.1.7. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

C.1.8. Borrowing Costs

Upfront fees incurred in connection with arrangement of borrowings are amortized over period of loan.

Borrowing costs (including amortization of upfront fees) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective qualifying asset. All other borrowing costs are expensed in the period they occur.

C.1.9. Foreign currency translation

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2012

C.1.10. Contingent Liabilities

A provision is recognised when an enterprise has a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Liabilities whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes on Accounts.

C.1.11. Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

C.1.12. Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

C.1.13. Employees Retirement Benefits

Contribution to defined contribution scheme such as provident fund is charged to Profit and Loss Account / Capital Work in Progress, as applicable. The Company also provides for Retirement benefits in the form of Gratuity and leave encashment such defined benefits are charged to Profit & loss account / Capital work in Progress as applicable, based on Actuarial valuation as at the Balance Sheet date made by the independent Actuaries.

C.2 Notes to Restated Accounts

C.2.1. Expenditure / (Earning) in Foreign Currencies

(Amount in Rs.)

Particulars	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
Professional & Consultancy Charges	-	1,424,537	66,459	-	-
Interest on Term Loan (ECB)	13,857,691	13,870,546	75,067	-	-

C.2.2. The Company's existing project comprises of setting up an eco-friendly paddy husk fired 16 MW biomass based cogeneration power project at Chhata, Mathura in the state of Uttar Pradesh, which is included under Capital Work in Progress. The Company now proposes to set up 18 MW biomass based cogeneration power project at Chhata, Mathura

For the abovementioned projects, the Company had incurred expenses aggregating Rs.83,63,593 up to September 30, 2011 (Rs. 5933343, Rs. 7095143, Rs. 7095143 as at the year ended 31st March 2009, 2010 and 2011 respectively) in connection with its Initial Public Offering (IPO) and proposes to adjust the Pre IPO expenses with the Securities Premium amount to be received against the future issue to be made, in terms of Section 78 of the Companies Act, 1956. Hence, till such time, the amount has been included under Loans and Advances as Pre IPO expenses.

C.2.3. Axis Bank Limited has sanctioned a ECB Facility of USD 13.25 million to part finance the existing 16 MW Power Project of the Company. Out of the sanctioned amount, USD 5.5 million i.e. Rs. 24,82,69,000/- , USD 10.37 million i.e. Rs. 46,30,20,500/- and USD 12.22 million i.e. Rs. 59,78,67,166/- has been drawn till 31st March 2010, 31st March 2011 and 30th September , 2011. The above sanctioned credit facility is secured by :

a. First Charge on entire Fixed Assets of the Company;
b. Exclusively charge on Debt Service Reserve Account (DSRA) proposed to be created with Bank for an amount equal to next two quarters installment at any point of time;
c. Personal guarantee of Promoter Directors of the Company.

C.2.4. Segment Information

The Company operates in only one business and geographical segment, i.e. Power Generation in state of Uttar Pradesh. Accordingly, further disclosures as per Accounting Standard (AS) 17 on "Segment Reporting" are not required.

C.2.5. Remuneration to Directors within limits of Schedule XIII

(Amount in Rs.)

Particulars	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
Salary & Other Allowances	730,000	600,000	600,000	460,000	-
Contribution to Provident Fund/ Superannuation Fund	-	-	-	-	-
Gratuity	-	-	-	-	-

C.2.6. The Company has not received any intimation from its 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the period ended 31st March 2008, year end 31st March 2009, 2010, 2011 and half year ended 30th September 2011 together with interest paid/payable as required under the said Act cannot be ascertained and accordingly, no disclosures have been given in this regard. The auditors have relied upon in respect of this matter

C.2.7. Share Capital Movement :

(a) Further issue and allotment to Promoters and Associate:

Pursuant to the resolution passed under the provision of Section 81(1A) of the Companies Act, 1956 at Annual General Meeting held on June 27, 2008, the Company has issued and allotted 4,816,300 equity shares of Rs. 10/- each for cash at par to Promoters and their Associate during the year ended March 31, 2009.

Further, pursuant to the resolution passed under the provision of Section 81(1A) of the Companies Act, 1956 at Annual General Meeting held on June 30, 2009, the Company has issued and allotted 3767000 equity shares, 9217000 Equity Shares and 4630200 Equity Shares during the year ended 31st March 2010, 2011 and half year ended 30th September 2011 of Rs. 10 each for cash at par to Promoters , their Associates, its Holding Company , other individuals and corporates.

(b) Issue of Share Capital after 30th September 2011

Pursuant to the resolution passed under the provision of Section 81(1A) of the Companies Act, 1956 at Annual General Meeting held on June 30, 2009, the Company has issued and allotted 2,40,000 Equity Shares of Rs. 10 each for cash at par to other individuals on 24th October 2011.

C.2.8. The Company has been incorporated on 20th July, 2007 and its first accounts have been drawn till 31st March 2008.

C.2.9. Disclosure under Accounting Standard 15 (revised 2005) “Employees Benefits” :

The Company has classified various Employees benefits as under:-

(A) Defined Contribution Plans :

- Provident fund
- State Defined Contribution Plans
- Employers’ Contribution to Employees’ Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognised the following amounts in the Profit and Loss Account / Capital Work in Progress, as applicable for the period:

(Amount in Rs.)

Particulars	For the six months ended 30-Sept-11	For The Year ended March 31st, 2011	For The Year ended March 31st, 2010	For The Year ended March 31st, 2009	For The Period ended March 31st, 2008
Contribution to Provident Fund	7,681	-	-	-	-
Contribution to Employees Pension Scheme, 1995	18,478	-	-	-	-

(B). Defined Benefit Plans (For Gratuity and Leave Encashment)

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the six months ended 30-Sept-11	For the six months ended 30-Sept-11	For The Year ended March 31st, 2011	For The Year ended March 31st, 2011
Discount Rate (Per annum)	8.00%	8.00%	8.00%	-
Rate of increase in Compensation levels	10.00%	10.00%	10.00%	-
Rate of Return on Plan Assets	8.00%	8.00%	8.00%	-
Expected Avg. remaining working lives of employees in no. of Years	11.3	11.3	11.22	-

(Amount in Rs.)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	For the six months ended 30-Sept-11	For The Year ended March 31st, 2011	For the six months ended 30-Sept-11	For The Year ended March 31st, 2011
(i) Changes in present value of obligation				
Opening Balance of Present Value of Obligation	2,02,920	54808	-	
Liability on transfer in / (out) of Employees (Net)	-		-	
Interest Cost	8139	4385	-	
Current Service Cost	1,84,643	162452	1,34,353	
Benefits Paid	-		-	
Actuarial (Gain)/loss	(85537)	(18725)	(58893)	
Closing Balance of Present Value of Obligation	3,06,101	202920	75460	

(Amount in Rs.)

Particulars	Gratuity		Leave Encashment	
	For the six months ended 30-Sept-11	For The Year Ended 31st March, 2011	For the six months ended 30-Sept-11	For The Year Ended 31st March, 2011
(ii) Changes in Fair Value of plan assets				
Opening Balance of Present Value of Plan Assets	-	-	-	-
Expected return on Plan assets	4,070	-	-	-
Contributions	2,02,920	-	-	-
Benefits Paid	-	-	-	-
Actuarial Gain / (Loss) on Plan assets	-4,070	-	-	-

Closing Balance of Fair Value of Plan Assets	2,02,920	-	-	-
Plan assets Pending Transfer	-	2,02,920	75,460	-
Closing Balance of Fair Value of Plan Assets net of pending transfer	2,02,920	-	-	₹
(iii) Percentage of each category of Plan assets to total fair value of Plan assets as at September, 30th, 2011				
Administered by Life Insurance Corporation of India	100%	-	-	-
(iv) Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets				
Closing Balance of Present Value of Obligation	3,06,101	2,02,920	75,460	-
Closing Balance of Fair Value of Plan Assets net of pending transfers	202,920	-	-	-
(Asset) / Liability recognised in the Balance Sheet	1,03,181	2,02,920	75,460	-
(v) Amounts recognised in the Balance Sheet				
Closing Balance of Present Value of Obligation	3,06,101	2,02,920	75,460	-
Closing Balance of Fair Value of Plan Assets net of pending transfers	2,02,920	-	-	-
Unfunded Liability recognised in the Balance Sheet	1,03,181	2,02,920	75,460	-
(vi) Expenses recognised in the Profit and Loss Account				
Current Service Cost	1,84,649	1,62,452	1,34,353	-
Interest Cost	8,139	4,385	-	-
Expected Return on Plan Assets	-4,070	-	-	-
Net Actuarial (Gain) / Loss	-85,537	-18,725	-58,893	-
Expenses recognised in the Profit and Loss Account	1,03,181	1,48,112	75,460	-
(vii) Experience adjustments				
(a) On Plan Liabilities (Gain) / Loss	-89,607	-18,725	-58,893	-
On Plan Assets (Gain) / Loss	4,070	-	-	-
Total Experience Adjustments/(Gain)	-85,537	-18,725	-58,893	-
(b) Adjustments due to change in assumptions	-	-	-	-

Notes:

1. Leave Encashment Policy has been applicable for employees from the current year
2. In respect of gratuity for year ended March 31st, 2009 and period ended March 31st, 2008, The Payment of Gratuity Act,1972 was not applicable to the Company and for the year ended March 31, 2010, provision has been made wherever applicable on the assumption that such benefit was payable to all employees at end of accounting year.

C.2.10. Payment to Auditors

					(Amount in Rs.)
Particulars	**For the six months ended 30-Sept-11**	**For The Year ended March 31st, 2011**	**For The Year ended March 31st, 2010**	**For The Year ended March 31st, 2009**	**For The Period ended March 31st, 2008**
Audit Fees	165,450	330,900	187,510	36,798	30,000
Other including Certification	1,268,450	-	561,800	11,268	-
Total	1,433,900	330,900	749,310	48,066	30,000

Annexure - V
Statement of Dividend Paid

					(Amount in Rs.)
Particulars	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
Equity Shares Face Value Rs./Share	10	10	10	10	10
Paid-up Equity Share Capital	241,005,000	194,703,000	102,533,000	64,863,000	16,700,000
Final Dividend per Share	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-

Annexure - VI

Statement of Other Income

Particulars	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	For the period ended 31-Mar-08
					(Amount in Rs.)
Interest Income	37,480	28,818	80,317	-	-
Miscelleneous Income	-	20,000	-	-	-
Profit /(Loss) on sale of Furniture	-	1,024	-	-	-
Total	**37,480**	**49,842**	**80,317**	**-**	**-**

Note

The above statement should be read with the Summary of Significant Accounting Policies And Notes to Restated Accounts as appearing in Annexure IV.

Annexure – VII
Calculation of Accounting Ratio

Sr. No.	Particulars	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	For the period ended 31-Mar-08
(A).	Earning Per Share (EPS)	(0.03)	(0.11)	(0.10)	(0.91)	(1.33)
(B).	Diluted Earning Per Share (DPS)	(0.03)	(0.09)	(0.09)	(0.59)	(0.30)
(C).	Return on Net Worth	-0.27%	-0.97%	-0.68%	-6.10%	-0.91%
(D).	Net Assets Value per share	9.71	9.67	9.56	9.40	9.56

Notes:
1) Diluted EPS for respective years has been computed considering actual number of shares issued subsequently out of share application money received in those years.
2) Net Assets Value per share, computed as per net equity method, is arrived at as Equity Net Worth at the end of the financial year minus miscellaneous expenditure not written off and debit balance of profit and loss account divided by the number of equity shares at the end of the year.
3) Return on Net Worth is arrived at by dividing Profit/(Loss) after tax by total shareholder's fund (Net Worth) at the end of the year/period
4) The above statement should be read with the Summary of Significant Accounting Policies And Notes to Restated Accounts as appearing in Annexure IV.

Annexure – VIII
Capitalization Statement

		(Amount in Rs.)
Particulars	**Pre Issue as at 30-Sept-2011**	**Post-issue (Refer note below)**
Borrowings:		
Short term debt	-	
Long term debt (A)	599,666,970.00	
Total Debt	**599,666,970.00**	
Shareholders' funds:		
Share Capital	241,005,000.00	
Reserve & Surplus	-	
Less: Miscellaneous Expenses not written off	-	
Less: P&L (Dr. Bal)	6,985,002	
Total Shareholders' Funds (B)	**234,019,998.00**	
Long Term Debt /Equity Ratio (A)/(B)	**2.56 : 1**	

Notes:
1) Short Term Debt represents debts with original maturity of less than 12 months
2) Long Term Debt represents debts other than short term debts as defined above.
3) Share capital & reserves and Surplus post issue can be calculated only on the conclusion of the Book building process.
4) The Post issue debt equity ratio will be computed on the conclusion of Book building process.
5) Share capital of the company has increased from Rs. 24.10 cr to Rs. 24.34 crore because of further allotment of shares on 24th October, 2011
6) The figures disclosed above are based on Summary Statement of Restated Assets and Liabilities of the Company.

Annexure – IX
Tax Shelter Statement

					(Amount in Rs.)
Particulars	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
Net Profit/(Loss) Before Tax	(629,287)	(1,822,530)	(666,732)	(3,720,418)	(146,035)
Income Tax Rates	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rates	NIL	NIL	NIL	NIL	NIL
Adjustments for:					
Permanent Differences	-	-	-	-	-
Temporary Differences	-	-	-	-	-
Total Timing Differences	NIL	NIL	NIL	NIL	NIL
Tax Saving thereon	NIL	NIL	NIL	NIL	NIL
Tax provided in Books	NIL	NIL	NIL	NIL	NIL

Notes:
1) The aforesaid statement of tax shelter has been prepared as per audited accounts of Usher Eco power Limited for the respective year.
2) The figures for the half yearly ended 30th September, 2011 are based on the provisional computation of the total income prepared by the company and are subject to any changes that might be considered by the company at the time of filing of return of income for the assessment year 2012-13.
3) The figures disclosed above are based on Summary Statement of Restated Profit and Loss Account of the Company

Annexure - X
Statement of Secured Loans

					(Amount in Rs.)
Particulars	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
From Bank	598,552,412	464,958,182	248,269,000	-	-
From Others	1,114,558	1,417,152	-		
Total	**599,666,970**	**466,375,334**	**248,269,000**	**-**	**-**

Note:
The figures disclosed above are based on Summary Statement of Restated Assets and Liabilities of the Company

Annexure - XI
Statement of Unsecured Loan

					(Amount in Rs.)
Particulars	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
Unsecured Loan	-	-	-	-	-
Total	-	-	-	-	-

Note:
The figures disclosed above are based on Summary Statement of Restated Assets and Liabilities of the Company

Annexure - XII

Statement of Investments

				(Amount in Rs.)	
Particulars	**For the six months ended 30-Sept-11**	**For the year ended 31-Mar-11**	**For the year ended 31-Mar-10**	**For the year ended 31-Mar-09**	**For the period ended 31-Mar-08**
Investment in Quoted Shares	-	-	-	-	-
- Long Term Investments	-	-	-	-	-
- Short Term Investment	-	-	-	-	-
Investment in Unquoted Shares	-	-	-	-	-
- Long Term Investments	-	-	-	-	-
- Short Term Investment	-	-	-	-	-
- In Equity Share Application Money	-	-	-	-	-
	-	-	-	-	-

Note:
The figures disclosed above are based on Summary Statement of Restated Assets and Liabilities of the Company

<u>**Annexure - XIII**</u>

Statement of Sundry Debtors

					(Amount in Rs.)
Particulars	**As at**				
	30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Sundry Debtors (unsecured, considered good)	-	-	-	-	-
Outstanding for a period exceeding six month	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

Note:
The figures disclosed above are based on Summary Statement of Restated Assets and Liabilities of the Company

Annexure - XIV

Statement of Loans And Advances

					(Amount in Rs.)
Particulars	**As at**				
	30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Pre IPO Expenses	8,363,593	7,095,143	7,095,143	5,933,343	-
Deposit	400,000	401,250	1,000,000	2,000,000	2,000,000
Advances Recoverable in cash or kind	338,821	68,118	2,051,171	19,164	222,660
Unamortised Upfront Processing Fees	42,974,053	77,450,749	84,062,141	-	-
Advance Tax & Tax Deducted at Source	13,310	9,562	9,562	-	-
Total	**52,089,777**	**85,024,822**	**94,218,017**	**7,952,507**	**2,222,660**

Note:
The figures disclosed above are based on Summary Statement of Restated Assets and Liabilities of the Company

Annexure – XV

Commitments and Contingent Liabilities

(Amount in Rs.)

Particulars	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	For the period ended 31-Mar-08
Contingent Liabilities	-	-	-	-	-
Capital commitment outstanding	74,468,160	239,018,911	84,864,000	253,564,000	4,157,000

Annexure – XVI

Statement of Related Party Transactions

	For the six months ended 30th September 2011	For the year ended 31st March 2011	For the year ended 31st March 2010	For the year ended 31st March 2009	For the period ended 31st March 2008
Nature of Relationship	**Name of Related Party**	**Name of Related Party**	**Name of Related Party**	**Name of Related Party**	**Name of Related Party**
A. Holding Company	1. Usher Agro Limited	1. Usher Agro Limited (From 22nd August 2010)	NIL	NIL	NIL
B. Name of Key Management Personnel	1. Mr. V.K. Chaturvedi	1. Mr. V.K. Chaturvedi	1. Mr. V.K. Chaturvedi	1. Mr. V.K. Chaturvedi	1. Mr. V.K. Chaturvedi
	2. Mr. Manoj Chaturvedi	2. Mr. Manoj Chaturvedi	2. Mr. Manoj Chaturvedi	2. Mr. Manoj Chaturvedi	2. Mr. Manoj Chaturvedi
C. Enterprises over which Key Management Personnel have significant influence (with whom transactions have taken place during the year)	1. Vedika Finance Private Limited	1. Vedika Finance Private Limited	1. Usher Agro Limited	1.Vedika Finance Private Limited	1.Vedika Finance Private Limited
	2. Usher Agro Limited	2. Usher Agro Limited		2.Usher Agro Limited	2.Usher Agro Limited
	3. Usher Oils & Foods Ltd.	3. Usher Oils & Foods Ltd.			
	4. Narayani Nivesh Nigam Private Limited	4. Usher Capitals Limited			
		5. Narayani Nivesh Nigam Private Limited			
D. Investing Parties	NIl	1. Usher Agro Limited (upto 21st August, 2010)	1. Usher Agro Limited.	1. Transform Engineering Pvt. Ltd.	1. Transform Engineering Pvt. Ltd.
	NIL	2. Mr. V.K. Chaturvedi (upto 21st August, 2010)	2. Mr. V.K. Chaturvedi	2. Mr. Manoj Chaturvedi (upto 29th September, 2008)	2. Mr. Manoj Chaturvedi
			3. Transform Engineering Pvt. Ltd.(upto 10th March 2010)	3. Usher Agro Limited (upto 29th September, 2008	3. Usher Agro Limited
	For the period ended 30th September 2011	**For the year ended 31st March 2011**	**For the year ended 31st March 2010**	**For the year ended 31rd March 2009**	**For the period ended 31rd March 2008**
1.Transactions during the year					
A. Issue of Equity Share Capital					
Name of the Parties					
	Amt. in Rs.	**Amt. in Rs.**	**Amt. in Rs.**	**Amt. in Rs.**	**Amt. in Rs.**
1. Usher Agro Limited	3,24,92,310	9,11,70,000	3,26,70,000	8,463,000	4,092,000
2. Mr.V.K. Chaturvedi	26,09,690	-	50,00,000	9,018,000	247,500
3. Mr. Manoj Chaturvedi	10,00,000	-	-	3,075,000	4,172,500
4. Vedika Finance Pvt Ltd.	51,00,000	-	-	5,300,000	-
5. Narayani Nivesh Nigam Pvt. Ltd.	51,00,000	-	-		
6. Transform Engg. Pvt Ltd.				22,307,000	8,183,000
B. Share Application Money Received	**Amt. in Rs.**	**Amt. in Rs.**	**Amt. in Rs.**	**Amt. in Rs.**	**Amt. in Rs.**
Name of the Parties					
1. Mr. V.K. Chaturvedi	-	26,09,690	50,00,000	9,018,000	247,500
2. Mr. Manoj Chaturvedi		10,00,000	-	-	7,247,500

	-				
3. Usher Agro Limited	-	3,40,87,310	10,28,70,000	27,830,000	4,100,000
4. Vedika Finance Pvt. Ltd.	-	51,00,000	-	2,300,000	3,000,000
5. Narayani Nivesh Nigam Pvt Ltd.	-	51,00,000	-	-	
6.Transform Engineering Pvt Ltd	-		-	-	30,490,000
B. Rent , Electricity & Telephone Exp. Paid	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**
1. Usher Agro Limited	--	103,570	120,000	106,333	-
2. Usher Oils & Foods Ltd.	240,000	65,715	-	-	-
3. Narayani Nivesh Nigam Pvt Ltd.	103,823	113,127	-	-	-
C. Reimbursements	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**
a) Incurred by related parties on our behalf					
1. Usher Agro Limited	1,675,957	1,194,689	1,007,329	843,194	-
b) Incurred for related parties					
1. Usher Oils & Foods Ltd.	-	4,500	-	-	-
2. Usher Capitals Ltd.	-	10,095	-	-	-
3. Usher Agro Ltd.	-	6,300,000	-	-	-
D. Amount Received					
1. Usher Agro Limited	5,00,000	6,300,000	1,351,674	482,500	-
E. Amount Repaid					
1.Usher Agro Limited	21,75,957	1,194,689	2,479,003	1,432,027	-
F. Interest Received					
1.Usher Agro Limited	-	25,890	-	-	
F. Director Remuneration					
1. Mr. V.K. Chaturvedi	4,25,000	300,000	300,000	230,000	
2. Mr. Manoj Chaturvedi	3,05,000	300,000	300,000	230,000	
G. Guarantee	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**	**Amt in Rs.**
Personal Guarantee of Mr. V.K. Chaturvedi & Mr. Manoj Chaturvedi and Corporate Guarantee of Usher Agro Limited	59,78,67,166	463,020,500	248,270,000	NIL	
2. Closing Balances	**As at 30th September 2011**	**As at 31st March 2011**	**As at 31st March 2010**	**As at 31st March 2009**	**As at 31st March 2008**
A. Equity Capital held					

Name of the Parties	**Amt. in Rs.**	**Amt. in Rs.**	**Amt. in Rs.**	**Amt. in Rs.**	**Amt. in Rs.**
1. Mr. V.K. Chaturvedi	26,143,190	24,043,500	24,043,500	9,140,500	122,500
2. Mr. Manoj Chaturvedi	81,22,500	7,122,500	7,122,500	7,122,500	4,047,500
3. Usher Agro Limited	16,91,37,310	136,645,000	45,475,000	12,805,000	4,342,000
4. Vedika Finance Pvt. Ltd.	1,86,10,000	13,510,000	13,510,000	5,300,000	
5. Narayani Nivesh Nigam Pvt. Ltd.	1,74,77,000	12,377,000	12,377,000	-	
6 Transform Engg Pvt Ltd.				30,490,000	8,183,000
B. Director Remuneration payable					
Name of Parties					
1. Mr. V.K. Chaturvedi	-	120,526	150,000	-	
2. Mr. Manoj Chaturvedi	3,05,000	348,370	141,070	-	
C. Rent , Electricity & Telephone Expnses Payable					
1. Narayani Nivesh Nigam Pvt. Ltd.	33,456	-	-	-	
2. Usher Oils & Food Limited	2,16,000	-	-	-	
D. Share Application Money					
1. Usher Agro Limited	-	32,492,310	89,575,000	19,375,000	8,000
2. V.K. Chaturvedi		2,609,690			
3. Mr. Manoj Chaturvedi		1,000,000			3,075,000
4. Tranform Engineering Pvt Ltd					22,307,000
5. Narayani Nivesh Nigam Pvt. Ltd.		5,100,000			
6. Vedika Finance Pvt Ltd		5,100,000			3,000,000
The figures disclosed above are based on Summary Statement of Restated Assets and Liabilities and Profit and Loss Account of the Company.					

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for FY 2008, FY 2009, FY 2010 and FY 2011 and as of and for the six months' period ended September 30, 2011 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included under the chapter titled "Financial Statements" beginning on page 155 of this Draft Red Herring Prospectus.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. 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 the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in section titled "Risk Factors" and the chapter titled "Forward Looking Statements" beginning on pages 12 and 10 respectively, of this Draft Red Herring Prospectus.

Our audited financial statements for FY 2008, FY 2009, FY 2010 and FY 2011 and for half year ended September 30, 2011 have been restated in accordance with SEBI ICDR Regulations. Such restatement adjustments have been presented as adjustments to our net profit after tax as audited to calculate our profit after tax, as restated. The Management's Discussion and Analysis of Financial Condition and Results of Operations discussions included herein should accordingly be read together with the discussions on restatement adjustments included under the paragraph titled "Adjustment for Restatement" under this chapter and "Notes for Statement of Assets and Liabilities" under Annexure – IV titled "Summary of Significant Accounting Policies and Notes to Restated Accounts" under the chapter titled "Financial Statements" beginning on page 155 of this Draft Red Herring Prospectus.

Overview

We are an independent renewable energy-based power co-generation company. Our first rice husk fired 16 MW biomass based cogeneration eco friendly power project ("**16 MW Plant**"), located at Tehsil Chhata, Mathura, Uttar Pradesh is nearing completion and awaits connection to the state grid.

Our 16 MW Plant has been set up on a land admeasuring 4.16 hectares. The primary fuel source for the plant is rice husk, however the technology employed permits us to use other biomass fuels such as feedstock which includes bagasse, etc. The area in proximity to the power plant, we believe, is sufficiently irrigated and can provide a sustainable source of agro residues to be utilized as feedstock. Further, UAL will be supplying us with rice husk for our existing power plant, for which we have entered into a Raw Material Supply agreement with them.

We propose to set up another rice husk based biomass co-generation power plant at Tehsil Chhata, Mathura, Uttar Pradesh having an installed power generation capacity of 18 MW from the proceeds of this Issue. This co-generation power plant will be set up on the existing land available with us.

Our Company is also planning to take up Silica production and has entered into a Technology Transfer Agreement ("**TTA**") with Advanced Bioresidue Energy Technologies Society ("**ABETS**") located at Indian Institute of Science, Bengaluru. We will be able to generate precipitated Silica from rice husk ash using this technology. In the future, we also intend to commercialize the technology and development experience by setting up power generation and silica plants on EPC/BOT basis in the vicinity of areas which have sufficient raw material availability.

Factors Affecting our Results of Operations

Our results of operations, cash flows and financial condition are affected by a number of factors, including the following:

Power projects expansion

Our power generation business and, in turn, our results of operations and financial condition are significantly affected by our ability to grow power generation capacity by successfully completing and commissioning projects under development. Our first 16 MW Plant is expected to start operations from March 2012. Further, according to our expansion plans, we expect the installed power generation capacity of our operations to increase by approximately 18 MW by FY 2014. Successful completion of our expansion will help us in generating higher revenues. Further, in the future, we will also incur higher depreciation and other fixed charges due to these expansion plans.

Pace of development of power projects

We will be earning revenue from sale of power generated from our power projects and therefore, our ability to successfully complete these projects will lead us to generate revenue. Our expectations on the costs of developing and constructing and the timing of the commencement of operation of our projects are estimates and subject to delay as a result of any delay or inability to obtain financing and various other risks and uncertainties. Our future results of operations will therefore depend on the timing of completion of construction of the projects and successful commencement of operations in these projects.

The pace at which we develop, construct and implement our projects will have a significant effect on our capital requirements, financial condition and results of operations. The implementation and construction of power plants require us to make significant advances and prepayments to vendors and suppliers of key equipment and materials and to contractors and incur substantial expense relating to project management and employee costs for implementing projects, interest and financing charges for debt financing, brokerage costs for land procurement and any other expenses for such projects not directly related to asset creation. While such expenses are being incurred to implement the project, it will not be generating any revenue in the corresponding period. In addition, the cost of key equipment and materials could also fluctuate and increase unexpectedly. If the timing of project implementation is shortened or costs of developing and construction increase or if we identify attractive opportunities, we may be required to raise additional debt financing to meet our payment obligations earlier than expected, which may not be available on commercially reasonable terms or at all.

Changes in grid tariffs

We intend to sell power through a variety of off-take arrangements, including PPAs as well as selling power at merchant rates to private industrial and corporate consumers and state-owned utilities or state electricity boards. In case of PPAs, the tariff rates that we are able to obtain for our power projects depend on the grid tariffs in effect at the time we negotiate our agreements with customers. Such tariff rates are set by state electricity regulatory commissions and are significantly influenced by government regulations. We believe our strategy of selling power through arrangements of varying durations and terms helps us respond quickly to market conditions and benefit from the available opportunities in the Indian power sector.

Fiscal Incentives

Our Company proposes to be engaged in generation of power and therefore it is eligible for 100% deduction of profits and gains from the business of generation of power, under section 80-IA (iv) of Act, for a period of 10 consecutive years in a block of 15 years starting from the year in which the company starts generating power, subject to compliance with conditions specified in Section 80-IA. It may be mentioned that deduction u/s. 80-IA (iv) shall be available only in respect of an undertaking which starts generating power on or before March 31, 2012.

Cost of fuel

The cost of biomass fuel will represent a significant portion of the operating expenses of our biomass power plant. As a result, our results of operations will be affected by the cost of biomass fuel and the volatility in its market price. We will be procuring part of our raw material requirements from UAL. Our ability to procure biomass fuel from other vendors may be subjected to short-term fluctuations in prices and available supply.

For further discussion of factors that may affect our results of operations, please refer to the section titled *"Risk Factors"* beginning on page 12 of this Draft Red Herring Prospectus and for additional information, please refer to the restated financial statements included under the chapter titled *"Financial Statements"* beginning on page 155 of this Draft Red Herring Prospectus.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements are prepared on an accrual basis, following the historical cost convention and in accordance with the Generally Accepted Accounting principles and Accounting Standards prescribed by Companies (Accounting Standard) Rules, 2006 and provisions of the Companies Act, 1956 to the extent applicable and in the manner so required.

Treatment of expenditure during construction period

Expenditure incurred during construction period for the 16 MW Plant is included under capital work-in-progress and pre-operative expenses and the same will be allocated to the respective fixed assets and amortised respectively upon commencement of operations.

Fixed Assets

Tangible Assets
Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Expenditure pertaining to project under construction and other pre-operative expenses incurred during the construction period, are capitalized upon commencement of operations / till the date assets are put in use.

Intangible Assets
Intangible Assets have been recorded on their cost of acquisition.

Depreciation

Tangible Assets
Depreciation on fixed assets is provided on pro-rata basis as per straight line method at the rate and manner specified in Schedule XIV of the Companies Act, 1956.

Intangible Assets
Intangible assets represented by patent & knowhow are amortized over a period of 15 years on straight line basis, being the period of license, which is beyond the maximum period of 10 year as specified in Accounting Standard 26 "Intangible Assets".

Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from these estimates.

Impairment
i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to our

Company and the revenue can be reliably measured.
Interest: Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Borrowing Costs

Upfront fees incurred in connection with arrangement of borrowings are amortized over period of loan.

Borrowing costs (including amortization of upfront fees) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective qualifying asset. All other borrowing costs are expensed in the period they occur.

Foreign currency translation

i. Initial Recognition
   Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
ii. Conversion
   Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
iii. Exchange Differences
   Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.
   Exchange differences, in respect of accounting periods commencing on or after December 7, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2012.

Contingent Liabilities

A provision is recognised when an enterprise has a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Liabilities whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes on Accounts.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Employees Retirement Benefits
Contribution to defined contribution scheme such as provident fund is charged to Profit and Loss Account / Capital Work in Progress, as applicable. Our Company also provides for Retirement benefits in the form of Gratuity and leave encashment and such defined benefits are charged to Profit & loss account / Capital work in Progress as applicable, based on Actuarial valuation as at the Balance Sheet date made by the independent Actuaries.

Summary Results of Operations

The following is a summary of our profit and loss account as per our restated audited financial statements for the periods indicated:

Summary Statement of Restated Profit & Loss Account

(Amount in Rs.)

Sr. No.	Particulars	For the six months ended 30-Sept-11	For the year ended 31-Mar-11	For the year ended 31-Mar-10	For the year ended 31-Mar-09	For the period ended 31-Mar-08
(A).	**Income**					
	Net sales of products manufactured by the Company	-	-	-	-	-
	Other Income	37,480	49,842	80,317		
	Increase /(Decrease) in Stock	-	-	-	-	-
	Total	**37,480**	**49,842**	**80,317**	**-**	**-**
(B).	**Expenditure**					
	Raw Material Consumed	-	-	-	-	-
	Staff Cost	-	-	-	-	-
	Other Manufacturing Expenses	-	-	-	-	-
	Administration Expenses	630,000	1,798,839	747,049	70,000	-
	Selling & Distribution Expenses	-	-	-	-	-
	Finance Expenses	-	-	-	3,628,079	-
	Depreciation / Amortisation	36,767	73,533	-	-	-
	Preliminary Expenses written off	-	-	-	22,339	146,035
	Total	**666,767**	**1,872,372**	**747,049**	**3,720,418**	**146,035**
(C).	**Net Proft / (Loss) before Extra Ordinary Items & Tax (A-B)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**
(D).	Current tax	-	-	-	-	-
(E).	**Net Proft / (Loss) before Extra Ordinary Items (C-D)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**
(F).	Less : Extra Ordinary Items	-	-	-	-	-
(G).	**Net Proft / (Loss) after Extra Ordinary Items & Tax (E-F)**	**(629,287)**	**(1,822,530)**	**(666,732)**	**(3,720,418)**	**(146,035)**

Notes:
The above statement should be read with the Notes to the Summary Statement of Restated Assets and Liabilities, Profits & Losses and Cash Flows as appearing in Annexure IV.

Adjustments for Restatement

The following table sets forth information relating to the restatement adjustments for the periods indicated:

Particulars	Notes	For the six months' period ended September 30, 2011	For FY 2011	For FY 2010	For FY 2009	For FY 2008
Profit after Tax as per Audited Financial Statements		(6,29,287)	(18,22,530)	(42,94,811)	(92,339)	(1,46,035)
Material Adjustments due to						
Write off of loan processing fees	B.1(a)			36,28,079	(36,28,079)	
Restated Profit after Tax		(6,29,287)	(18,22,530)	(6,66,732)	(37,20,418)	(1,46,035)

For further information, please refer to *Annexure – IV* titled *"Summary of Significant Accounting Policies and Notes to Restated Accounts"* under the chapter titled *"Financial Statements"* beginning on page155 of this Draft Red Herring Prospectus.

Components of Income and Expenditure

Income

Our income comprises income from operations and other income.

Income from Operations

In future, we will generate revenue primarily from generation and sale of electricity generated from our power plants. However, since currently none of our power plants are operational, we have, till September 30, 2011, not booked any revenue from our operations.

Other Income

Other income primarily includes Interest Income and miscellaneous income.

Expenditure

Our expenditure comprises (i) raw material consumed, (ii) staff costs, (iii) other manufacturing expenses, (iv) administrative expenses, (v) selling & distribution expenses (vii) finance expenses (viii) depreciation and amortization expenses and (ix) Preliminary expenses written off.

Particulars	For the six months' period ended September 30, 2011	For FY 2011	For FY 2010	For FY 2009	For FY 2008
Expenditure					
Raw Material Consumed	-	-	-	-	-
Staff Cost	-	-	-	-	-
Other Manufacturing Expenses	-	-	-	-	-
Administration					

Particulars	For the six months' period ended September 30, 2011	For FY 2011	For FY 2010	For FY 2009	For FY 2008
Expenses	6,30,000	17,98,839	7,47,049	70,000	-
Selling & Distribution Expenses	-	-	-	-	-
Finance Expenses	-	-	-	36,28,079	-
Depreciation / Amortisation	36,767	73,533	-	-	-
Preliminary Expenses written off	-	-	-	22,339	1,46,035
Total	**6,66,767**	**18,72,372**	**7,47,049**	**37,20,418**	**1,46,035**

We are expecting to start power generation in our 16 MW Plant from March 2012. Therefore we have, till date, not recorded any income and expenses related to operations.

FY 2011 Compared to FY 2010

Total Income

Total income was ₹ 0.50 lacs for the FY 2011 as compared to ₹ 0.80 lacs for the FY 2010. The major part of income was due to interest earned on bank deposits. The total income consisted of only 'Other income' and no operational income has accrued till date as we are yet to commence commercial operation of our plant.

Expenditure

Administrative Expenses

Administrative expenses during FY 2011 are ₹ 17.99 lacs as compared to ₹ 7.47 lacs during FY 2010.

Finance Expenses

We have not incurred any finance expenses during FY 2011 and FY 2010. The interest incurred during the period on our term loan is capitalised and therefore, is not included as part of finance expenses.

Depreciation / Amortisation

Depreciation on fixed assets during FY 2011 is ₹ 0.74 lacs. Further, no Depreciation / Amortization charges were incurred during FY 2010.

Preliminary Expenses Written off

No preliminary expenses were written off during FY 2011 as well as during FY 2010.

Net Profit / (Loss) Before Extraordinary Items and Tax (After Restatement)

Loss Before Extraordinary Items and Tax during FY 2011 is ₹ 18.22 lacs as compared to ₹ 6.67 lacs during FY 2010.

FY 2010 Compared to FY 2009

Total Income

Total income was ₹ 0.80 lacs for the FY 2010. We did not have any Income during the year FY 2009.

Expenditure

Administrative Expenses

Administrative Expenses during FY 2010 were ₹ 7.47 lacs as compared to ₹ 0.70 lacs during FY 2009.

Finance Expenses

During FY 2009, our Company had paid processing fees of ₹ 36.28 for its proposed borrowing from State Bank of India which, however, was not disbursed and the amount was expensed in FY 2009 itself.

Depreciation / Amortisation

Depreciation on fixed assets during FY 2010 and FY 2009 was nil.

Preliminary Expenses Written off:

Preliminary expenses amounting to ₹ 0.22 lacs were written off during FY 2009.

Net Profit / (Loss) Before Extraordinary Items and Tax (After Restatement)

Loss Before Extraordinary Items and Tax during FY 2010 was ₹ 6.67 lacs as compared to ₹ 37.20 lacs during FY 2009.

Liquidity and Capital Resources

Our existing project comprises of our 16 MW Plant at Chhata, Mathura in the state of Uttar Pradesh, which is included under capital work-in-progress.

Axis Bank Limited has sanctioned an ECB Facility of USD 13.25 million to part-finance our 16 MW Plant. Out of the sanctioned amount, USD 5.5 million i.e. ₹ 24,82,69,000, USD 10.37 million i.e. ₹ 46,30,20,500 and USD 12.22 million i.e. ₹ 59,78,67,166 has been drawn till March 31, 2010, March 31, 2011 and September 30, 2011 respectively. We have funded our liquidity requirement through equity contribution from shareholders and loans as we are yet to start operations. We intend to fund our operations primarily from cash flow resulting from operating activities, capital contributions from equity shareholders and borrowings from banks. We require cash primarily for our capital expenditures and working capital.

Cash Flows

The following table sets forth selected items from our restated cash flow statement for the periods indicated:

(₹in lacs)

Particulars	For FY 2011	For FY 2010	For FY 2009
Net cash provided by/(used in) operating activities	58.13	(12.47)	(41.97)
Net cash provided by/(used in) investing activities	(2,643.84)	(194.59)	(310.60)
Net cash provided by/(used in) financing activities	2,554.18	2,707.41	339.99
Net increase / (decrease) in cash and cash equivalents	(31.52)	2,500.33	(12.58)

Indebtedness

As of September 30, 2011, our total outstanding debt was USD 12.22 million (₹ 5,978.67 lacs). For further information on our secured loans, including the restrictive covenants that we are bound by, please refer to the chapter titled *"Financial Indebtedness"* beginning on page 192 of this Draft Red Herring Prospectus.

Capital Expenditure

Our capital expenditures in FY 2009, FY 2010, FY 2011 and the six months' period ended September 30, 2011 principally consisted of expenditures for the construction of our 16 MW Plant and the purchase of property, plant and equipment for the same. As of FY 2009, FY 2010, FY 2011 and the six months' period ended September 30, 2011 our Gross Block was ₹ 585.38 lacs, ₹ 585.37 lacs, ₹ 629.50 lacs and ₹ 631.19 lacs respectively and outstanding capital work-in-progress of ₹ 19.89 lacs, ₹ 112.31 lacs, ₹ 2589.70 lacs and ₹ 6,044.78 lacs respectively. A major portion of the capital work-in-progress for the six months' period ended September 30, 2011 is Civil Works, Building and Plant & Machinery amounting to ₹ 5,677.85 lacs. We historically have financed our capital expenditure requirements through equity financing from Promoters and bank borrowings.

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities and capital commitments as of September 30, 2011:

(₹in lacs)

Particulars	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Contingent Liabilities	-	-	-
Capital commitment outstanding	2,390.19	848.64	2535.64

Note: As on September 30, 2011, our capital commitment outstanding was ₹744.68 lacs.

Off-Balance Sheet Transactions

We have not entered into any off-balance sheet transactions.

Related Party Transactions

From time to time, we enter into transactions with companies that are controlled by members of our Promoter Group and other related parties in the ordinary course of business. For details regarding our related party transactions, please refer to the *Annexure – XVI* titled *"Related Party Transaction"* under the chapter titled *"Financial Statements"* beginning on page 155 of this Draft Red Herring Prospectus.

QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISKS

Interest rate risk

Our cash flow and fair value interest rate risks mainly relate to our fixed and floating rate borrowings. Any increase in interest rates may adversely affect our ability to service our borrowings and to finance the development of new projects, all of which may in turn adversely affect our business and results of operations. We had floating-rate borrowings, as of December 31, 2011, amounting to USD 13.25 million.

Other than bank deposits with fixed interest rate, we have no other significant interest-bearing assets. Our directors do not consider our Company's exposure of the bank deposits to interest rate risk to be significant as interest rates of bank deposits are not expected to fluctuate significantly.

Credit risk

The carrying amounts of bank balances, sundry debtors, loans and advances represent the maximum credit exposure of our Company. Substantially all of our cash is deposited principally with several nationwide and regional renowned financial institutions in India without significant credit risk. We do not expect any losses to result from non-performance of these financial institutions. Accordingly, our credit risk is primarily attributable to our sundry debtors, which are not secured by any form of credit support, such as letters of credit, performance guarantees or escrow arrangements. We have no other financial assets that carry significant exposure to credit risk.

Commodity risk

Once our 16 MW Plant commences operation, we become dependent upon suppliers for our biomass fuel requirements. We are exposed to fluctuations in the price, availability and quality of the biomass fuels that we require for the operation of our biomass power plant. We will be subject to variations in the price of fuel, if any, increased cost of such fuel cannot be passed onto customers, whether due to fixed price agreements or otherwise. We have entered into RMSA with UAL for procurement of rice husk by which, we believe, we will be able to meet majority of our fuel requirements. However, in the event UAL stops supplying us with rice husk, we will have to procure rice husk from other suppliers for which we have not entered into any supply agreements. Please refer to the chapter titled *"Our Business"* beginning on page 92 of this Draft Red Herring Prospectus.

Foreign currency risk

We operate in India and our transactions arising from our principal activities are expected to be principally denominated in Rupees, which is our functional currency. However, we have an outstanding loan denominated in US Dollars. We have not hedged our currency risk arising from ECB. For related risks, please refer to the section titled *"Risk Factors"* beginning on page 12 of this Draft Red Herring Prospectus.

Recent accounting pronouncements

There are no recent accounting pronouncements that are expected to impact our accounting policies or the manner of our financial reporting. However, the ICAI has announced a road map for the adoption of, and convergence of Indian GAAP with, IFRS announced by the Ministry of Corporate Affairs, GoI in January, 2010, pursuant to which we will be required to prepare our annual and interim financial statements under IFRS beginning with financial year commencing April 1, 2013. The convergence of certain Indian Accounting Standards with IFRS was notified by the Ministry of Corporate Affairs on February 25, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting.

Significant Developments after September 30, 2011

There are no developments after September 30, 2011 that we believe are expected to have a material impact on our reserves, profits, earnings per Equity Share, book value or ability to pay our liabilities within the next twelve months.

Unusual or infrequent events or transactions

Except as discussed under the chapter titled *"Financial Statement"* beginning on page 155 of this Draft Red Herring Prospectus, there have been no other events or transactions that may be described as "unusual" or "infrequent".

Significant economic changes

Except as discussed under the section titled *"Risk Factors"* and under the chapter titled *"Industry Overview"* beginning on pages 12 and 79 respectively of this Draft Red Herring Prospectus, there have been no other significant economic changes that are likely to have a material adverse impact on our operations or financial condition.

Known trends or uncertainties

Our business has been impacted and, we expect, will continue to be impacted by the trends identified in this section and the uncertainties described under the section titled "*Risk Factors*" beginning on page 12 of this Draft Red Herring Prospectus. Except as described in this Draft Red Herring Prospectus, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Except as described in this chapter and under the section titled *"Risk Factors"* and under the chapter titled "*Our Business"* beginning on pages 12 and 92 respectively, of this Draft Red Herring Prospectus, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Significant regulatory changes that materially affected or are likely to affect income from continuing operations

Except as described under the chapter titled "*Regulations and Policies in India*" beginning on page 100 of this Draft Red Herring Prospectus, there have been no significant regulatory changes that have materially affected or are likely to affect our income from continuing operations.

The extent to which our business is seasonal

Our business is not seasonal in nature.

Any significant dependence on a single or few suppliers or customers

We have a PPA with TPTCL for selling power generated from our 16 MW Plant. In the absence of any other arrangement, we would be dependent on TPTCL for sale of power generated at our 16 MW Plant. Presently, majority of our raw material would be supplied by UAL. Although we can sell electricity or procure raw material to and from the market, we may not be able to do so at present rates and therefore, we face supplier and customer concentration risk.

Competitive Conditions

Please refer to the chapters titled *"Our Business", "Industry Overview"* and *"Risk Factors"* beginning on pages 92, 79 and 12 respectively of this Draft Red Herring Prospectus for discussions regarding competition.

FINANCIAL INDEBTEDNESS

Following is a summary of our Company's outstanding borrowings as on September 30, 2011:

(₹ in lacs)

Nature of borrowing	Amount
Secured borrowings	5,978.67
Unsecured borrowings	0.00
Total	5,978.67

Secured borrowings

1. **Lender**: Axis Bank Limited

   This loan has been sanctioned for our 16 MW Plant.

Details of credit facilities	Details of documents creating charges/Guarantees and Loan Documents	Security	Rate of interest	Tenure	Repayment Schedule	Outstanding Amount as on September 30, 2011
External Commercial Borrowings of USD 13.25 million	Sanction Letter AXISB/DIFC /ADV/1109/2 009-10 dated March 2, 2010 and AXIS/DIFC/ ADV/1110/20 09-10 dated March 3, 2010 **Form 8** (Charge ID 10218923) **Secured Facility Agreement** dated March 30, 2010 **Deed of Hypothecation (Movables, Plant & Machinery)** dated March 30, 2010 **Memorandum of Entry** (Equitable mortgage by deposit of title deeds) dated March 30, 2010 For Modification of charge: **Form 8** for enhancement of credit facilities **Supplemental Deed of Hypothecatio**	*Vide* Hypothecation Deed dated March 30, 2010, charge created on: All tangible movable machinery, plant machinery, fixtures, fittings, other installation, cranes, furniture, computers and other accessories, vehicles together with spare tools and accessories and all other articles lying on the premises or in the godowns of the borrower or in the course of transit which may hereinafter be brought, stored or be lying or upon the said premises of the borrower *Vide* Memorandum of Entry Equitable Mortgage By Deposit of Title Deeds dated March 30, 2010, both creating a single charge: • Equitable Mortgage created for Khata No 21, Khasra No. 630, Mauja Dautana, Tehsil Chhata, Mathura, Uttar Pradesh admeasuring 1.362 Hec. • Equitable Mortgage created for Khata No 21, Khasra No. 630, Mauja Dautana, Tehsil Chhata, Mathura, Uttar Pradesh admeasuring 0.9556 Hec. • Equitable mortgage created for Khata No 83, Khasra No. 155/1, of Mauja Gauhari, Tehsil Chhata, Mathura, Uttar Pradesh admeasuring 1.844 Hec. Present and future Fixed Assets consisting of movable plant & machinery, Spares, tools, accessories, F&F etc lying at the Companies premises, godown elsewhere or in transit.	6 months LIBOR (Bloomberg BBAM) for the relevant interest period, plus a premium of 500 basis points currently at 5.54%	8 years	**Term Loan–** 24 unequal quarter instalments commencing after 8 quarters of moratorium from initial utilization date as stipulated in the sanction letter	USD 12.22 million equivalent to ₹ 5,978.67*

Details of credit facilities	Details of documents creating charges/Guarantees and Loan Documents	Security	Rate of interest	Tenure	Repayment Schedule	Outstanding Amount as on September 30, 2011
	n dated June 25, 2010 The sanction letter was accecpted *vide* Board Resolution dated March 10, 2010	Exclusive charge on Debt Reserve Account (DSRA) proposed to be created with the Bank for an amount equal to next two quarters instalment at any point of time, to be built up latest by January 31, 2012. Personal Guarantee of Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi Corporate guarantee of UAL				

**As on December 31, 2011, the entire sanction amount of USD 13.25 million has been disbursed.*

RESTRICTIVE COVENANTS

*Sanction Letter AXIB/DIFC/ADV/1109/2009-10 dated March 2, 2010 issued by Axis Bank to our Company ("**Borrower**") and Dr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi ("**Guarantors**"). (Together the Borrower and the Guarantors shall be referred to as "Obligors"):*

1. The borrowers should bring in 75% of the stipulated promoters' contribution prior to the first disbursement of the term loan.
2. The borrowers need to enter into a power sale agreement and rice husk purchase agreement with UAL, prior to the disbursement of the term loan or LC utilization.
3. The borrower to undertake that it shall maintain a minimum Asset Cover of 1.25 during the tenor of the bank's loans as well as a minimum Debt Service Coverage Ratio (DSCR) of 1.25 during the tenor of the bank's loan on any calculation date.
4. Each of the Obligors will give a general undertaking on the following:
   - Authorizations
   - Compliance with laws
   - Negative pledge with exceptions to be agreed
   - Restriction on disposals
   - Restriction on merger
   - No change of business
   - Insurances, pensions
   - Intellectual property
   - Environmental undertakings
   - Arm's length basis
   - Restriction on the giving of loans, credit and guarantees
   - Syndication
   - Taxation and
   - *Pari passu* ranking
5. Any overrun in the project cost shall be financed by unsecured interest free funds from our Promoters. Any such funds shall be subordinate to the credit facilities availed from the bank.
6. During the currency of the bank's credit facility, the Borrower will not without the Bank's prior permission in writing:

- Conclude any fresh borrowing arrangement either secured or unsecured with any bank or financial institutions, borrower or otherwise, not create any further charge over their fixed assets without prior approval in writing;
- Undertake any expansion or fresh project or acquire fixed assets, while normal capital expenditure e.g., replacement of parts, can be insured
- Invest by way of share capital in or lend or advance to or place deposits with any other concern (normal trade credit or security deposit in the routine course of business or advances to employees can, however be extended)
- Formulate any scheme of amalgamation with any other borrower or reconstruction, or acquire any company;

- Undertake guarantee obligations on behalf of any other borrower or any third party
- Declare dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation;
- Make any repayment of the loans, deposits and discharge other liabilities except those shown in the funds flow statement from time to time;
- Make any change in their management set-up.

7. Our Company has to obtain external rating for the project within 120 days from the date of disbursement.

*Deed of Hypothecation (Movables, Plant & Machinery) dated March 30, 2010 between our Company ("**Borrower**") and Axis Bank Limited ("**Security Trustee**"):*

1. The Borrower shall not create any charge, lien or encumbrance affecting them or any part thereof or do anything which would prejudicially affect this security and the Borrower shall not part with the hypothecated properties save and except by way of sale in the ordinary course of the Borrower's business and as herein under provided, nor shall any sale be made after prohibition in writing by the Security Trustee against selling and as regards the hypothecated properties, the same shall not be sold or alienated unless specifically permitted by the Security Trustee.
2. The Borrower shall not during the continuance of this Deed hypothecate or otherwise charge or encumber any of the hypothecated properties over which the lien of the Security Trustee shall extend or be expressed or intended to extend to others nor do or permit any act whereby the security given to the Security Trustee shall be in any way prejudicially affected.
3. No changes whatsoever that may take place in the constitution of the Borrower, whether by amalgamation or otherwise, shall impair or discharge the liability of the Borrower and that the Borrower shall execute separate Credit Facility Agreement or any other document as may be stipulated by the Security Trustee, notwithstanding creation of charge over the goods/machinery/plant/implements, if any purchased out of such Credit Facility being covered by these presents.

*Secured Facility Agreement dated March 30, 2010 between our Company ("**Borrower**"), Usher Agro Limited ("**Guarantor**"), Axis Bank DIFC Branch ("**Agent**") and Axis Bank, Andheri Lokhandwala Branch ("**Security Trustee**"). Dr. Vinod Kumar Chaturvedi and Mr. Manoj Pathak are the Personal Guarantors. Corporate Obligers means the Borrower and the Guarantor:*

1. Negative pledge –
   (a) No Corporate Obligor shall (and the Guarantor shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.
   (b) No Corporate Obligor shall (and the Guarantor shall ensure that no other member of the Group will):
      - enter into any arrangement under which money or the benefit of a bank or other account may he applied, set-off or made subject to a combination of accounts;
      - enter into any other preferential arrangement having a similar effect,

   in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

2. Merger - Neither the Borrower nor the Guarantor shall (nor the Guarantor shall ensure that no other member of the Group will) enter into any amalgamation. demerger, merger or corporate reconstruction.
3. Change of Business - The Guarantor shall ensure that no substantial change is made to the general nature of the business of the Corporate Obligors or the Group from that carried on at the date of this Agreement.
4. Acquisitions and Investments - The Borrower shall not, without the Agent's prior written consent, acquire any, company, business, assets or undertaking or make any other acquisition or investment unless such acquisition or investment (as applicable) is made in the ordinary course of trading and on an arm's length basis.
5. Loans and Guarantees - The Borrower shall not make any loans, grant any credit (save in the ordinary course of business) or give any guarantee or indemnity (except as required under any of the Finance Documents) to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person.
6. Dividends - The Borrower shall not pay, make or declare any dividend or other distribution in

respect of any financial year of the Borrower until the aggregate amount available for distribution to its shareholders in respect of that financial year has been determined and then only if no Default has occurred and the Borrower has provided to the Agent evidence (reasonably satisfactory to the Agent) that the Plant has been commissioned and is fully operational.

7. Indebtedness - The Guarantor shall ensure that no member of the Group shall incur, create or permit to subsist or have outstanding any Financial Indebtedness or enter into any agreement or arrangement whereby it is entitled to incur, create or permit to subsist any Financial Indebtedness. This however does not apply to any Financial Indebtedness arising under or permitted by the Finance Documents; if the aggregate amount does not exceed US$25,000 (or its equivalent).
8. Arm's Length Basis – Except as permitted, the Borrower shall not (and the Guarantor shall ensure no member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value. However the following transactions shall not be a breach of this clause: fees, costs and expenses payable under the Transaction Documents in the amounts set out in these Documents delivered to the Agent under the clause on 'Initial Conditions Precedent', or agreed by the Agent and any permitted transaction. (Note: 'Transaction Documents' refers to the Finance Documents and the Project Documents)
9. Borrower shall (and the Guarantor shall ensure that each member of the Group will) not use or permit intellectual property to be used in a way or take any step or omit to take any step in respect of that intellectual property which may materially and adversely affect the existence or value of the intellectual property or imperil the right of any member of the Group to use such property and not discontinue the use of the intellectual property.
10. Borrower shall ensure that the amount standing to the credit of the DSR Account on or before January 31, 2012 shall be at least equal to US$ 600,000 and on and from January 31, 2012 and for so long as any Secured Obligations are outstanding, ensure that the amount standing to the credit of the DSR Account is at least equal to US$ 600,000. (Note: 'DSR Account' means the debt service reserve account held by the Borrower with the Account Bank and that is subject to the Security created under the Deposit Security Agreement).

2. **Lender**: Axis Bank Limited

This loan has been sanctioned for our proposed Project and has not been disbursed as on the date of this Draft Red Herring Prospectus.

Details of credit facilities	Details of documents creating charges/Guarantees and Loan Documents	Security	Rate of interest	Tenure	Repayment Schedule
Term loan of ₹ 30,00,00,000	Sanction Letter AXIS/CO/IFB/KB/2011-12/439 dated December 7, 2011 The sanction letter was accecpted *vide* Board Resolution dated January 21, 2012	**Primary security:** *Pari passu* charge of projects on all mortgages, charges, assignment & pledge as per standard security package & as identified by and between consortium members, in a form satisfactory to the lenders, including *inter alia*, the following: 1. first charge by way of mortgage on all of Company's immoveable properties, present and future; 2. first charge by way of hypothecation of all our Company's movable assets including moveable plant and	Axis Bank Base Rate + 3% per annum	Tenure: Door-to-door tenor of 7.25 years. (15 months of construction + 1 year of moratorium + 5 years of debt repayment) Moratorium: 12 months from the date of COD	Twenty equal quarterly instalments starting from the end or moratorium period

Details of credit facilities	Details of documents creating charges/Guarantees and Loan Documents	Security	Rate of interest	Tenure	Repayment Schedule
		machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, present and future; 3. first charge on all book debts, operating cash flows, receivable, commissions, revenues of whatsoever nature and wherever arising, of our Company, present and future; and 4. first charge on all intangible assets, if any, of our Company, including but not limited to goodwill, uncalled capital, present & future. **Collateral security:** Personal guarantee of Dr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi Corporate guarantee of UAL			

TERMS OF SANCTION

Sanction Letter AXIS/CO/IFB/KB/2011-12/439 dated December 7, 2011 issued by Axis Bank Limited to our Company. The sanction is valid for a period of six months.

1. Sponsor: Usher Agro Limited
2. Commercial operation: the project shall be completed in all respects and commercial operations should commence by September 30, 2013
3. Moratorium: 12 months from the date of COD
4. Tenure: Door-to-door tenure of 7 years and 3 months (inclusive of 15 months of construction, 12 months moratorium from the date of COD and 60 months of debt repayment)
5. Repayment: Twenty equal quarterly instalments starting from the end or moratorium period
6. Rate of interest: Axis Bank Base Rate + 3% per annum
7. Credit rating: our Company, shall furnish, the Credit Rating of the project debt from any of the external credit agencies, viz. CRISIL, CARE, ICRA, FITCH or any other reputed credit rating agency within four months of the disbursement. In the event, the credit rating is not obtained/furnished within the stipulated period, the lender shall charge additional interest @1% per annum from such date till furnishing of the rating. Our Company has to furnish subsequent credit rating of the project debt annually as stipulated by the lender.
8. Prepayment: any premature prepayment of the debt whether in full or in part shall be subject to payment by our Company of prepayment premium equal to 1% of the amount being prepaid.
9. Our Company will be required to mandatory prepay the debt to the lender without prepayment premium out of certain proceeds after meeting its liabilities under any of the project documents including *inter alia*, PPA and EPC contracts as described below:

- liquidated damages for delays in project completion received under the project documents would be utilised towards cost overrun and the balance amount would be utilised towards reduction in project cost and thereby reduction in debt.
- provided however, that in the event of Company receiving liquidated damages

10. DSRA – Our Company shall create a Debt Service Reserve Account (DSRA) to meet the debt service requirements for the ensuing 1 quarters' principal and interest payment due to the Lender from the date of COD. The DSRA shall be built up in twelve months from the COD and shall remain in force till the full Repayment/Prepayment of Facility. The funds in the DSRA shall only be deployed in securities as per terms and conditions in TRA Agreement. Our Company shall have a right to replace DSRA with Bank Guarantee/Letter of Credit.
11. Commitment Fees – Our Company shall pay commitment charges equal to 0.50% p.a. (plus applicable taxes) on the amount un-drawn with respect to drawdown schedule given by Company. The charges shall be calculated on the basis of the amount undrawn and the number of days deviated from the scheduled date. However, our Company would have the option to modify/revise the drawdown schedule 30 days prior to the respective actual drawdown days without any commitment charges.
12. Assignment/Transferability - The lender may assign or otherwise transfer (or portion(s) thereof) to any Bank/Financial Institutions and pursuant to which the lender shall be entitled to assign the security created herein with all or any rights under the documents without prior written consent of our Company.
13. Liquidated Damages – Our Company shall pay Liquidated Damages at the rate of 2% p.a. on the defaulted amount under the Facility in the event of any defaults in the payments of interest, principal or any other monies due to the Lender on their respective dates during the currency of the Senior Debt Facility for the relevant period.
14. Sponsor Undertakings – The Sponsor shall undertake that during the tenure of the loan:

a) Sponsor shall not dilute their stake in UEPL below 51%.
b) Sponsor shall retain management control of the UEPL during the tenor of the Facility.
c) Sponsor shall arrange funds or meet any cost overrun of the Project Cost/shortfall in resources of the project company in respect of completion of the project.

15. Pre-Commitment Conditions – Execution of Financing Agreements by the Lender shall be subject to the satisfaction including but not limited to the following:

(i) Appointment of Lender Legal Counsel(LC) to review the Project documents
(ii) Appointment of Security Trustee & Lender Agent
(iii) Appointment of Owners Engineer for the Project
(iv) To be confirmed that no names of Directors appear in the RBI Defaulters List
(v) Company shall provide:
    a) Copy of Constitutional Documents (MoA; AoA)
    b) Copy of Board Resolution of Guarantor approving all terms and the transactions contemplated by the Financing Agreements and the Project Agreements and authorizing of specific persons to execute, sign and/or dispatch all documents and notices to which it will be a party.

16. Pre-disbursement Conditions – Disbursement by the Lender shall be subject to the satisfaction or waiver in writing by the Lender of various conditions, including but not limited to the following:

(i) Creation of securities as per terms of sanction.
(ii) Completion of the IPO process and have raised atleast ₹ 50 crores for the project.
(iii) Arrange by itself/through the main Contractor for meeting its requirements of Construction Power for the project to the satisfaction of the Lender and obtain necessary licenses, permissions and authorizations to start work for the same.
(iv) Completion of all acquisition formalities of the entire land site including entering into a suitable lease agreement for the land required for the project.
(v) Open Trust Retention Account (TRA) and agree that all cash flows of our Company for all cash flows of our Company, including equity capital, would be deposited in TRA(s) which would specify the priority, timing, utilisation and the sequence of the cash flows to be decided

pursuant to the TRA Agreement and agree to maintain adequate reserves as may be specified in all the sub- accounts as per the TRA Agreement. For this purpose our Company shall appoint an acceptable Bank/Institution as a Trust and Retention Agent and enter into a Trust and Retention Agreement.

(vi) Furnished report from the Chartered Accountant specifying the expenditure incurred and the means of financing thereof prior to seeking each tranche of disbursement.

(vii) Have awarded EPC contract/ major contracts which would specify amongst others, performance guarantees, completion schedules, liquidated damages and payment terms.

(viii) Obtain all statutory and other clearances required for implementation of the project, including but not limited to the NOC from the State Pollution Control Board or Environmental/Forest clearance if applicable.

(ix) Obtain permission for allocation of water from the concerned state government department for meeting the project requirement and arrange to review the water availability, sourcing plans etc.

(x) Ensure that all requisite insurance policies have been taken in respect of the Project and other assets offered as security for the facility, during the construction phase are suitably endorsed in favour of the Lender and submit the same for review. Undertake that the insurance required during operation phase shall be taken 3 months before actual COD. A list of the current insurance policies should be submitted to the Lender detailing therein the names and addresses of the insurer, brief particulars of goods covered, type of cover and the date of expiry of each policy. Insurance policies should contain the Lender’s Security Stipulation and name the Lender as loss payees.

(xi) Conformation that there is no default or potential event of default which has happened and has not been cured or waived in accordance with the terms of the relevant project agreements and all representations and warranties made by our Company or any of the project parties in each of the Project Agreements are true and correct.

(xii) Shall have confirmed that no event has happened which in the reasonable opinion of the Lender would result in having a Material Adverse Effect. Material Adverse Effect shall mean a material adverse effect on a) the financial condition of the company, b) the financial condition of the company’s sponsors, c) the carrying of the company’s business or operations, d) the ability of the company to observe and perform in a timely manner its obligations under any of the Financing Documents and Security Documents to which it is or would be a party or e) the legality, validity, binding nature or enforceability of any of the Financing Documents, Project Contracts and Security Documents.

(xiii) Constitution of a Project Management Committee of Directors/ senior executives for the purpose of supervising and monitoring the project progress (physical and anticipated). The committee shall be responsible for the management of the project during the construction period including *inter alia* civil tendering and order placement.

(xiv) The expansion project of Usher Agro should have achieved financial closure and order for the major equipment shall have been placed.

17. Conditions Subsequent to first disbursement –

(i) All subsequent disbursements to be made ensuring project debt: equity ratio is maintained.

(ii) Finalise O&M arrangements or enter into an agreement for the same with an experienced and reputed O&M contractor, 3 months prior to scheduled COD of the project.

(iii) Make satisfactory arrangements for meeting working capital requirement of the project and furnish details in this regard atleast 2 months prior to COD. Lender reserve the right to withhold disbursement of the amount of loan equivalent to the provision against margin money for working capital in the cost of the project till such time as the project is near completion and the build up of the working capital commences.

18. Financial and Other Covenants – Our Company to ensure compliance with the following covenants:

a) The TTL/TNW shall not exceed 1 times till repayment of entire debt.

b) The company shall maintain a minimum asset cover of 1.75 starting from the end of first full year of operation during the entire currency of debt. The Asset Cover shall be computed as the ratio of Net Fixed assets to the aggregate term debt, performance guarantees etc to the extent secured by project assets.

c) Our Company shall maintain a minimum Debt Service Coverage Ratio (DSCR) of 1.50 during the tenor of the loan. DSCR shall be calculated as per the following formula: (EBITDA-TAX) divided by Debt Servicing Requirement.

d) Our Company shall submit a certificate from the statutory auditor for every calculation date following the first disbursement to confirm compliance with financial covenants till the full Repayment/Prepayment of Facility.

e) Calculation date will be March 31 immediately following the disbursement and every year thereafter.

f) All the financial covenants shall be tested annually within 30 days of declaration of the financial results of our Company or 90 days from the end of the financial year whichever is earlier.

Unsecured borrowings

Our Company does not have any unsecured borrowings as on the date of this Draft Red Herring Prospectus.

SECTION VI – LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

A. APPROVALS IN RELATION TO THE ISSUE

1. Our Board of Directors have, pursuant to resolution passed at its meeting held on August 29, 2011 authorised the Issue, subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

2. Our shareholders have, pursuant to a resolution passed at the Annual General Meeting held on September 30, 2011 authorised the Issue, under section 81(1A) of the Companies Act.

3. Our Board of Directors have, pursuant to circular resolution dated February 2, 2012, approved this Draft Red Herring Prospectus.

4. In - principle approval from NSE dated [●].

5. In - principle approval from BSE dated [●].

B. APPROVALS IN RELATION TO INCORPORATION AND TO CARRY ON BUSINESS

We require various approvals to carry on our business in India. The approvals that we require include the following:

I. *Corporate Approvals*

Sr. No.	Approval Granted	Authority	Corporate Identity Number/ Registration Number	Date Granted	Validity
1.	Certificate of incorporation as "Usher Eco Power Limited"	Registrar of Companies, Maharashtra at Mumbai	U40102MH2007PLC172552	July 20, 2007	Until cancellation or winding up
2.	Certificate for Commencement of Business	Registrar of Companies, Maharashtra at Mumbai	U40102MH2007PLC172552	October 15, 2007	Until cancellation or winding up

II. *Tax Related Approvals*

Sr. No.	Approval granted	Authority	Reference/Registration Number	Date granted	Validity
1.	Permanent Account Number	Income Tax Department	AAACU9211G	July 20, 2007	Until winding up or cancellation
2.	Allotment of Tax Deduction Account Number	Income Tax Department	MUMU05390A	February 12, 2008	Until winding up or cancellation
3.	Certificate of Enrolment under the Tax on Professions, Trades,	Commissioner, Profession tax	P.T.E.C. 99541660849P	January 12, 2009	Until winding up or

Sr. No.	Approval granted	Authority	Reference/Registration Number	Date granted	Validity
	Callings and Employments Act				cancellation
4.	Service Tax registration for transport of goods by road	Central Board of Excise and Customs	AAACU9211GSD001	December 29, 2010	The same is valid till the registrant carries on the activity for which it has been issued or surrenders it, or it is revoked or suspended
5.	Registration under the Uttar Pradesh Value Added Tax Act, 2008	Department of Commercial Taxes, Government of Uttar Pradesh	09427601674	July 29, 2008	The same is valid till the registrant carries on the activity for which it has been issued or surrenders it, or it is revoked or suspended

III. Business Related Approvals

Sr. No.	Approval granted	Authority	Reference/Registration Number	Date granted	Validity
1.	Registration Certificate of Establishment	Inspector under the Bombay Shops and Commercial Establishment Act, 1948	760175067/COMMERCIAL II	March 3, 2011	Valid till March 2012
2.	Acknowledgment of Industrial Entrepreneur Memorandum (IEM) issued for generation and distribution of other non-conventional energy with proposed capacity of 16 MW	Ministry of Commerce & Industry, Secretariat of Industrial Assistance	1493/SIA/IMO/2008	May 19, 2008	Until cancelled/surrendered

IV. Labour related Approvals

Sr. No.	Approval granted	Authority	Reference/Registration Number	Date granted	Validity
1.	Certificate of Registration for 70 labours in power plant at Tehsil Chhata, Mathura, Uttar Pradesh under the Contract Labour (Regulation and Abolition) Act, 1970	Assistant Labour Commissioner, Mathura, Government of Uttar Pradesh, under Section 7(2) of the Contract	C.L.R./M-2011-05	May 18, 2011	Until winding up or cancellation

Sr. No.	Approval granted	Authority	Reference/Registration Number	Date granted	Validity
		Labour (R&A) Act, 1970			
2.	Certificate of Registration as per the Employee's Provident Fund Scheme, 1952	Assistant Provident Fund Commissioner, Agra	EPF/SRO/Agra/ENF/UP/54599	September 29, 2011	Until winding up or cancellation

C. PROJECT RELATED APPROVALS

We have obtained the following approval relating to our 16 MW Plant, situated at Khasra No. 630, Mauja Dautana, Tehsil Chhata, Mathura, Uttar Pradesh.

Note: As on date of this Draft Red Herring Prospectus, all approvals related to the project as specified in this chapter is for its 16 MW Plant. Our Company is yet to make application for its proposed Project.

a) Licenses/Permissions granted for 16 MW Plant

Sr. No.	Approval granted	Authority	Reference/Registration Number	Date granted	Validity
1.	Environmental Clearance/No Objection Certificate for construction of transformers	Uttar Pradesh Pollution Control Board under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981	F85/38/C-4/NOC-513/11	May 4, 2011	The same is valid till the registrant carries on the activity for which it has been issued
2.	Host Country Approval to Rice Husk based Co-generation Power Project	Deputy Secretary (CC) and Member Secretary (National CDM Authority), Ministry of Environment & Forests, Government of India	4/17/2010-CCC	May 24, 2011	-
3.	Grant of Connectivity for the 16 MW Plant at 630, Mauja Dautana, Tehsil Chhata, Mathura, Uttar Pradesh	Uttar Pradesh Power Transmission Corporation Limited	Intimation No. 259/CE(CMU-T)/connectivity/USHER	March 7, 2011. Date from which connectivity is granted is April 20, 2011	-

b) License which have been applied for but yet not been approved/ granted:

Sr. No.	Approval sought	Authority	Date of Application
1.	Consent for ground water use for new 16 MW biomass (Rice husk based) power plant at Tehsil Chhata, Mathura, Uttar Pradesh	Central Ground Water Authority	November 27, 2008
2.	Clearance by Airports Authority of India for chimney height	The Airport Authority of India	August 11, 2011
3.	Approval for access to private property along National Highway at 109 km Stone	National Highways Authority of India (NHAI)	June 1, 2009
4.	Application to obtain grant for the cogeneration power plant from Non-Conventional Energy Development Agency, (NEDA) U. P., Government of Uttar Pradesh	U. P. New And Renewable Energy Development Agency	March 11, 2011
5.	No Objection Certificate for the plant	Chief Fire Officer, Regional Office, Mathura	January 31, 2011

Sr. No.	Approval sought	Authority	Date of Application
6.	Boiler Approval under Indian Boiler Act, 1923	The Director of Boiler, Kanpur, Uttar Pradesh	September 21, 2011

D. INTELLECTUAL PROPERTY

<u>*Patent*</u>

Our Company have entered into a technology transfer agreement with Advanced Bioresidue Energy Technologies Limited, Indian Institute of Science for the use of following patent registration issued by the Controller of Patents under the Patents Act, 1970 to Indian Institute of Science.

Patent Number	Application Number	Description of the Brand	Date of Grant/validity	Name of Patentee
216477	134/MAS/2003	Novel process and apparatus for the manufacture of precipitated silica from rice husk ash	The patent valid for a period of 20 years from February 18, 2003. As per the date of grant of certificate on March 13, 2008.	Indian Institute of Science

For details relating to the Technology Transfer Agreement, please refer to chapter titled *"History and Other Corporate Matters"* beginning on page 114 of this Draft Red Herring Prospectus.

<u>*Trademark*</u>

Our Corporate Promoter, Usher Agro Limited has registered its trademark “ ” bearing registration no. 1784746 under Class 31 issued by the Registrar of Trademarks under the Trade Marks Act, 1999 and valid upto May 12, 2019. We have entered into a Trademark License Agreement dated October 15, 2011 for the use of this trademark. In accordance with the Trademark License Agreement, we are required to pay a license fee of Rs. 10,000 per year to UAL.

D. LENDERS CONSENT

As regards the Issue, we have obtained consent from our lender, Axis Bank Limited *vide* letter dated December 15, 2011.

E. APPROVALS RELATING TO THE PROPOSED PROJECT

As on date of this Draft Red Herring Prospectus, we have not made any application relating to our proposed Project.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, Directors and our Promoters or ventures with which our Promoters were associated in the past (in case our Promoters' names continue to be associated with the particular litigation), and there are no defaults including non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company except as stated below, and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Directors, our Promoters or group companies with which our Promoters were associated in the past but are no longer associated (in case our Promoters' names continues to be associated with the particular litigation). Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

Neither our Company nor our Promoters or Directors or group companies with which our Promoters were associated in the past but are no longer associated (in case our Promoters' names continues to be associated with the particular litigation), have been declared as wilful defaulters by the RBI, or any other Governmental authority other than as disclosed below and there are no violations of securities laws committed by them in the past or pending against them.

I. Contingent Liabilities of our Company

The following table sets forth the principal components of our contingent liabilities and capital commitments as of September 30, 2011:

(₹in lacs)

Particulars	As on September 30, 2011	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Contingent Liabilities	-	-	-	-
Capital commitment outstanding	744.68	2,390.19	848.64	2535.64

II. Litigation involving our Company

A. *Outstanding Litigation and Material Developments/Proceedings involving/ affecting our Company*

1. Outstanding Litigation/ Proceedings filed against our Company

There are no outstanding litigation/proceedings filed against our Company

2. Outstanding Litigation/ Proceedings filed by our Company

There are no outstanding litigation/proceedings filed by our Company.

B. *Proceedings initiated against our Company for economic or civil offences*

There are no proceedings initiated against our Company for any economic or civil offences.

C. *Adverse findings in respect to our Company as regards compliance with the securities laws*

There are no adverse findings against our Company as regards compliance with the securities laws.

D. *Details of past penalties imposed on our Company*

As on date of this Draft Red Herring Prospectus, there are no past penalties imposed on our Company.

E. ***Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company***

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company.

F. ***Potential Litigation against our Company***

As on date of this Draft Red Herring Prospectus, there are no potential litigations against our Company that we are currently aware of or in connection with which, we have received any notice.

G. ***Outstanding litigation defaults etc. pertaining to matter likely to affect operations and finances of our Company, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act***

There are no outstanding litigation defaults etc. pertaining to matters likely to affect operations and finances of our Company, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act.

H. ***Outstanding dues to small scale undertaking(s) or any other creditors***

There are no outstanding dues above ₹ 1,00,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

III. Litigation involving our Promoters

A. ***Outstanding Litigation and Material Developments/Proceedings involving our Promoters***

1. Outstanding Litigation and Material Developments/Proceedings filed by our Promoters

There are no litigation proceedings initiated by our Promoters.

2. Outstanding Litigation and Material Developments/Proceedings filed against our Promoters

Value Added Tax

a. The Assessing Officer Mr. A. K Singh Deputy Commissioner Commercial Tax, Sector-3, Mathura, has issued an order dated March 29, 2011 against UAL under section 28 (2) of UP VAT Act, 2008 alleging that UAL had not considered certain items for computation of total sales for the assessment year 2009-2010. The Assessing Officer has directed UAL to pay of sum of ₹ 4,08,13,822 as VAT. As per UAL it is liable to pay only a sum of ₹ 1,88,66,261 and has already deposited the same and has disputed payment of the excess remaining sum of ₹ 2,19,47,561 as VAT. UAL has filed an appeal bearing No.534/11 before the learned Additional Commissioner Grade-2, (Appeal), Mathura on July 19, 2011 challenging the order passed by the Assessing Officer and has disputed the payment of ₹ 2,19,47,561 as VAT. On August 20, 2011 the Additional Commissioner Grade-2, (Appeal), Mathura passed an order in favour of UAL staying payment of 80% of the disputed amount. UAL has further filed an application dated October 1, 2011 to obtain stay on the remaining 20% of the disputed amount. As on date the case is pending.

Central Sales Tax

b. The Assessing Officer Mr. A. K Singh Deputy Commissioner Commercial Tax, Sector-3, Mathura, has issued an order dated March 29, 2011 against UAL under section 9 (2) of Central Sales Tax Act, 1956 alleging that UAL had not considered certain items for computation of total sales for the assessment year 2009-2010. The Assessing Officer has directed UAL to pay of sum of ₹ 62,36,982 as sales tax. As per UAL it is liable to pay only a sum of ₹ 42,30,367 and has already deposited the same and has disputed payment of the excess remaining sum of ₹ 20,06,615 as sales tax. UAL has filed an appeal bearing No.535/11 before the learned Additional Commissioner Grade-2, (Appeal), Mathura on July 19, 2011 challenging the order passed by the Assessing Officer and has disputed the payment of ₹ 20,06,615 as sales tax. On August 20, 2011 the Additional Commissioner Grade-2, (Appeal), Mathura passed an order in favour of UAL staying payment of 80% of the disputed amount. UAL has further filed an application dated October 1, 2011 to obtain stay on the remaining 20% of the disputed amount. As on date the case is pending.

B. Adverse findings in respect to our Promoters as regards compliance with the securities laws

There are no adverse findings in respect to our Promoters as regards compliance with the securities laws.

C. Details of past penalties imposed on our Promoters

As on date of this Draft Red Herring Prospectus, there are no past penalties imposed on Promoters of our Company.

D. Outstanding litigation defaults etc pertaining to matter likely to affect operations and finances of our Promoters, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act

There are no outstanding litigation defaults etc pertaining to matter likely to affect operations and finances of our Promoters, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act.

E. Outstanding litigations against other companies whose outcome could have an adverse effect on our Promoters

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Promoters.

F. Disciplinary action taken by SEBI/Stock Exchanges against our Promoters

There is no disciplinary action taken by SEBI/Stock Exchanges against our Promoters.

G. Outstanding litigations, defaults/overdues or labour problems/closure faced by our Promoters

There are no outstanding litigations, defaults/overdues or labour problems/closure faced by our Promoters.

H. Potential proceedings involving our Promoters

There are no potential proceedings involving our Promoters.

IV. Litigation involving the Directors of our Company

A. Outstanding Litigation and Material Developments/Proceedings involving our Directors

Except as provided in this chapter, there are no outstanding litigations and material proceedings involving the Directors of our Company including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors, including disputed tax liabilities, past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act.

B. Outstanding proceedings initiated against our Directors of our Company for economic offences

Except as provided in this chapter, there are no outstanding proceedings initiated against our Directors of our Company for any economic offences.

C. Details of past penalties imposed on our Directors of our Company

As on date of this Draft Red Herring Prospectus, there are no past penalties imposed on the Directors of our Company.

D. Litigations against our Directors involving violation of statutory regulations or alleging criminal offence

There are no criminal/civil cases against the Directors involving violation of statutory regulations or alleging criminal offence.

E. Criminal/civil cases against our Directors towards tax liabilities

There are no criminal/civil cases against our Directors towards tax liabilities.

F. Disciplinary action taken by SEBI/Stock Exchanges against our Directors of our Company

There is no disciplinary action taken by SEBI/Stock Exchanges against our Directors of our Company.

G. Potential proceedings involving our Directors

There are no potential proceedings involving our Directors.

V. Litigations involving our Subsidiaries

Our Company does not have any subsidiaries.

VI. Litigations involving our Group Entities

Except as provided below, there are no outstanding litigations and material proceedings involving our Group Entities.

A. Outstanding Litigation and Material Developments/Proceedings involving our Group Entities

a. Outstanding Litigation and Material Developments/Proceedings filed against our Group Entities

There are no outstanding litigations and material proceedings filed against our Group Entities

b. Outstanding Litigation and Material Developments/Proceedings filed by our Group Entities

There are no outstanding litigations and material proceedings filed against our Group Entities

VII. Material Developments since the Last Balance Sheet Date

Except as disclosed under the chapter titled "*Financial Statements*" beginning on page 155 in the opinion of our Board of Directors, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has, pursuant to a resolution passed at its meeting held on August 29, 2011 authorized the Issue.

Our shareholders have, pursuant to a resolution dated September 30, 2011 under section 81(1A) of the Companies Act, 1956 authorized the Issue.

We have received in-principle approvals from BSE and NSE for listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. [●] is the Designated Stock Exchange.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Promoters, Promoter Group, Directors or our Group Entities, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities for any reasons or under any order or direction passed by SEBI or any other authorities.

None of our Promoters, Directors was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI.

None of our Directors is associated with the securities market and there has been no action taken by SEBI against any of our Directors or any entity where our Directors are involved in as promoters or directors.

Neither our Company, our Promoters, Group Entities, nor our Directors, have been identified as wilful defaulters by RBI or other authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI ICDR Regulations which states as follows:

"*An issuer not satisfying any of the conditions stipulated in sub-regulation 26 (1) may make an initial public offer if:*

(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ; or

(ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees; or

(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

(A) the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;
(B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue."

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to meet both the conditions detailed in Regulation 26 (2)(a) and Regulation 26 (2)(b) of the SEBI ICDR Regulations.

We are eligible for the Issue as per Regulation 26(2) of the SEBI ICDR Regulations as:

- The Issue is being made through the Book-Building process, with at least 50% of Issue being allotted to QIBs, failing which the entire subscription monies shall be refunded; and
- The minimum post-Issue face value capital of our Company shall be ₹ 1,000 lacs.

Further, in accordance with Regulation 26(2) and Regulation 26(4) of the SEBI ICDR Regulations, we shall ensure that the number of Allottees, i.e., persons to whom the Equity Shares will be allotted under the Issue shall be not less than 1,000 and if atleast 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e., from the date of refusal or within 10 Working Days from the date of Bid/ Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% *per annum* on application money, as prescribed by applicable law.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS BEING, IDBI CAPITAL MARKET SERVICES LIMITED AND SMC CAPITALS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, IDBI CAPITAL MARKET SERVICES LIMITED AND SMC CAPITALS LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 2, 2012 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 PERTAINING TO THE SAID ISSUE.

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID. –COMPLIED WITH

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S 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 SEBI 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 PROMOTER'S 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 SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE.

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 COMPANY 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 DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE.

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE – AS THE ISSUE SIZE IS MORE THAN ₹ 100 MILLION AND THEREFORE, IN ACCORDANCE WITH SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009, HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME."

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 63 or section 68 of the Companies Act, 1956 or from the requirement of obtaining such statutory and 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 BRLMs any irregularities or lapses in the Draft Red Herring Prospectus.

Caution – Disclaimer from our Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of above mentioned entities and anyone placing reliance on any other source of information, including our website, *www.usherecopower.com* would be doing so at their own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLMs and our Company dated February 3, 2012 and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor the Syndicate Member shall be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Group Entities, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Group Entities, affiliates or associates for which they have received, and may in future receive, compensation.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitutions to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including Eligible NRIs, Foreign Institutional Investors ("**FIIs**") and other eligible foreign investors (viz. Foreign Venture Capital Investors ("**FVCIs**"), multilateral and bilateral development financial institutions). The Draft Red Herring Prospectus/Red Herring Prospectus does not, however, constitute an invitation to purchase shares issued hereby in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus/ Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus, Red Herring Prospectus or Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to the date of the Draft Red Herring Prospectus, Red Herring Prospectus or Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

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.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus will be submitted to BSE. The Disclaimer Clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus will be submitted to NSE. The Disclaimer Clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus will be filed with SEBI at its head and regional office situated at Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC and Head office of SEBI at Mumbai.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of our Equity Shares. [●] shall be the Designated Stock Exchange with which the basis of Allotment will be finalised for the Issue.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by either of the Stock Exchanges mentioned above we will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company and every officer in default will, on and from the expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum*, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/ Issue Closing Date.

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) the Directors, our Company Secretary, the Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) the BRLMs and Syndicate Member(s), Registrar to the Issue and the legal advisors, to act in their respective capacities, have been obtained, as applicable, and would be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors, M/s. Haribhakti & Co., have given their written consent to the inclusion of their report in the form and context in which it appears in "*Financial Statements*" beginning on page 155 and of their report relating to tax benefits accruing to our Company in the form and context in which it appears in "*Statement of Tax Benefits*" beginning on page 70 and such consent and report have not been withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

[●], the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to the inclusion of its report in the form and context in which it will appear in the Red Herring Prospectus and Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and Designated Stock Exchange.

Expert Opinion

Except for the report of [●] in respect of the IPO grading of the Issue (a copy of which will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange and the reports of the Auditors of our Company on the restated financial statements and the "*Statement of Tax Benefits*", included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lacs. The expenses of this Issue include, among others, lead management fees, underwriting fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue shall be borne by our Company.

The estimated Issue expenses are as under:

Particulars	Estimated Amount*	% of the Total Estimated Issue Expenses	% of total Issue Size
Lead Management, Marketing and Selling Commissions	[●]	[●]	[●]
Underwriting commission, brokerage and selling Commission*	[●]	[●]	[●]
Registrar to the Issue's fees	[●]	[●]	[●]
IPO Grading Expenses	[●]	[●]	[●]
Advertisement and Marketing Expenses	[●]	[●]	[●]
Printing and Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, legal fees etc.)	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

**Will be incorporated at the time of filing of the Prospectus.*

Fees payable to the BRLMs and the Syndicate Member(s)

The total fees payable to the BRLMs and the Syndicate Member(s) (including underwriting commission and selling commission) will be as per their respective engagement letters with our Company.

Fees payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of Bid cum Application Forms, data entry, printing of CAN, allotment advice, refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per Memorandum of Understanding dated November 24, 2011 between us and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds or send Allotment advice by registered post/speed post/under certificate of posting.

Particulars Regarding Public or Rights Issues during the Last Ten Years

Our Company has not made any previous public or rights issues in India or abroad in the ten years preceding the date of this Draft Red Herring Prospectus. However, our Company had filed a draft red herring prospectus dated October 20, 2008 with SEBI and Stock Exchanges for a public issue of ₹ 5,250 lacs including promoters' contribution of ₹ 1,650 lacs. Subsequently, we received the observations from SEBI *vide* letter dated April 24, 2009. Subsequently, the, then, book running lead manager, IDBI Capital Market Services Limited *vide* its letter dated March 5, 2010 withdrew the draft red herring prospectus at the request of our Company.

Commission or brokerage on previous issues

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since our incorporation.

Previous Issues of Shares Otherwise than for Cash

Our Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

Capital Issues in the Last Three Years

Except for qualified institutional placement of 1,07,96,800 equity shares of face value of ₹ 10 each at a price of ₹ 92.62 per equity share (including premium of ₹ 82.62 per equity shares) to qualified intuitional buyers on November 29, 2010 made by our Corporate Promoter, Usher Agro Limited, our Company and its Group Entities have not made any public or rights issues in the last three years.

Promise v/s Performance

Our Company: This is the first public offer by our Company.

Our Promoter: Usher Agro Limited

<u>Initial Public Offer:</u>
Usher Agro Limited had made a public issue of 1,20,12,000 equity shares of face value of ₹ 10 each at a premium of ₹ 5 per equity share, aggregating to ₹ 18,01,80,000 in September 2006. The issue included a net issue to public of 88,12,000 equity share of face value of ₹ 10 each at a premium of ₹ 5 per equity share aggregating to ₹ 13,21,80,000 and promoter contribution of 32,00,000 equity shares of face value of ₹ 10 each at a premium of ₹ 5 per equity share aggregating to ₹ 4,80,00,000.

The equity shares of Usher Agro Limited are listed on the BSE on October 6, 2006 and on NSE on July 30, 2010.

The proceeds of the issue was utilized for the following purposes:

Sr. No.	Objects of the Issue as provided in the offer document	Amount to be utilized as stated in the offer document (₹ in lacs)	Performance (₹ in lacs)	Reasons for variation in the performance
1.	Part finance the wheat roller flour mill project at Mathura including working capital	747.90	757.85	Due to variation in configuration of certain machinery there has been an increase in cost.
2.	To Fund modernization of rice mill plant situated at Mathura	413.75	387.44	Efficiencies in project implementation and good bargain price terms with machinery suppliers, the company was able to save as against the estimated project cost.
3.	To fund co-generation power project at Mathura	345.18	475.69	Due to changes and modification in boiler configuration, updation in turbine technology and increase in electrical equipment cost.
4.	To meet long term working capital requirements for existing operations	175.00	19.45	The remaining issue proceeds have been used towards this head. The company has subsequently tied up for the shortfall in meeting long term working capital requirements.
5.	Issue Expenses	120.00	161.40	As actual

Subsidiaries: Our Company has no subsidiaries

Group Companies: Except as stated herein, none of our Group Entities have made any previous rights or public issues.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares, as of the date of this Draft Red Herring Prospectus.

Partly Paid Up Shares

There are no partly paid up Equity Shares of our Company.

Stock Market Data of our Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares of our Company are not listed on any stock exchange and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances

Memorandum of Understanding dated November 24, 2011 between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Syndicate ASBA Locations, as the case may be, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Payment Amount was blocked.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. No investor complaints have been received during the immediately preceding three years prior to filing of this Draft Red Herring Prospectus with SEBI.

We have also appointed Mr. Krishna Suvarna as the Compliance Officer for this Issue and he may be contacted in case of any pre Issue or post Issue related problems, at the following address:

Usher Eco Power Limited
Chief Finance Officer and Compliance Officer
424, Laxmi Plaza, Laxmi Industrial Estate
New Link Road, Andheri (West)
Mumbai-400 053,
Maharashtra
Tel: +91-22-3938 1100;
Fax: +91-22-3938 1123;
Website: www.usherecopower.com
Email: compliance@usherecopower.com

Disposal of Investor Grievances by Usher Agro Limited

The board of directors of Usher Agro Limited has constituted the shareholders' grievance committee as per the guidelines set out the Listing Agreement with the stock exchanges that *inter alia* include redressing investors' complaints regarding transfer of shares, non receipt of any correspondence form Usher Agro Limited etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for the overall improvement of the quality of the investor services.
All investors' correspondence should be addressed to the company secretary of Usher Agro Limited at the following address:

Mr. Saurabh Mehta
Usher Agro Limited
422, Laxmi Industrial Estate,
New Link Road, Andheri West,
Mumbai- 400 053,
Maharashtra
E mail Id: saurabh.mehta@usheragro.com
Tel: +91-22-3938 1100
Fax: +91-22-3938 1123
Maharashtra, India.

All investor grievances will be addressed within seven business days from the date of receipt of the complaint as expeditiously as possible.

The details of the investor complaints received and resolved as on the date of this Draft Red Herring Prospectus is as set out below:

Sr. No.	Particulars	Complaints received	Pending as on date
1.	Total number of investor complaints during FY 2009	5	Nil
2.	Total number of investor complaints during FY 2010	Nil	Nil
3.	Total number of investor complaints during FY 2011	5	Nil

Sr. No.	Particulars	Complaints received	Pending as on date
4.	Total number of investor complaints during the period April 1, 2011 to December 31, 2011	10	Nil

As on December 31, 2011, there are no investor complaints pending against the Usher Agro Limited.

Except for UAL, none of the companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956 is listed.

Change in Auditors

There has been no change in our auditors for the last three years. M/s. Haribhakti & Co continue to be our Auditors.

Capitalization of Reserves or Profits

Except as stated in "*Capital Structure*" beginning on page 51, we have not capitalized our reserves or profits in the last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company in the last five years.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN 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 all applicable laws, regulations, guidelines, rules and notifications relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, GoI, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to chapter titled "*Main Provisions of the Articles of Association*" beginning on page 267 of this Draft Red Herring Prospectus.

Mode of Payment of Dividends

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of Marathi daily newspaper [●] each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date.

Price Band

The Price Band shall be from ₹ [●] to ₹ [●] per Equity Share of face value of ₹ 10 each.

Compliance with regulations issued by SEBI

Our Company shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, our Equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and other preferential claims being satisfied;

- Subject to applicable law including any RBI rules and regulations, right of free transferability; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement executed with the Stock Exchanges, and our Memorandum of Association and Articles of Association.

Upon the listing of the Equity Shares on the Stock Exchange, all our Equity Shareholders have the same voting rights. For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividends, forfeiture and lien and/or consolidation/splitting, please refer to chapter titled "*Main Provisions of Our Articles of Association*" beginning on page 267 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, the trading of our Equity Shares shall only be in dematerialized form. Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the board of directors, elect either:

- to register himself or herself as holder of Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors 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, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.
Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective

depositories of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs / FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per existing regulations under FEMA, Overseas Corporate Bodies (OCBs) cannot participate in this Issue.

Bidding Period

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

**Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*
***Our Company in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date.*

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including the devolvement of Underwriters within 60 days from the Bid/ Issue Closing Date, our Company shall within 70 days of Bid/ Issue Closing Date refund the entire subscription amount received. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest at the rate of 15% *per annum* as prescribed under section 73 of the Companies Act.

Further in terms of Regulation 26(2) and Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000 and, if atleast 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of the pre- Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in, in the Issue as detailed under the chapter titled *"Capital Structure"* beginning on page 51 of this Draft Red Herring Prospectus, there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. Please refer to chapter titled "*Main Provisions of our Articles of Association*" beginning on page 267 of this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

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.

Option to receive Equity Shares in Dematerialized Form

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

ISSUE STRUCTURE

An Issue of [●] Equity Shares of ₹ 10 each, at an Issue Price of ₹ [●] (including share premium of ₹ [●] per Equity Share) for cash aggregating to ₹ 8,500 lacs is being made through the Book Building Process. The Issue shall constitute [●]% of the post-Issue Equity Share capital of our Company.

	QIB Bidders	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation	Atleast [●] Equity Shares	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for allocation	Atleast 50% of the Issue to be allotted to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. The unsubscribed portion in the Mutual Funds portion will be available for allocation to QIBs.	Not less than 15% of the Issue or Issue size less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Issue or Issue size less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	In the Anchor Investor Portion, up to [●] Equity Shares shall be available for allocation to Anchor Investors on a discretionary basis, out of which one third shall be available for allocation to domestic mutual funds only. In the QIB portion (excluding Anchor Investor portion) Equity Shares shall be available as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Mode of Bidding	Through ASBA process only expect for Anchor Investors. [●]	Through ASBA process only	Both the ASBA process and the non-ASBA process are available to Retail Individual Bidders
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2,00,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2,00,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000

	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply	(i) a mutual fund, venture capital fund and foreign venture capital investor registered with SEBI; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii)a provident fund with minimum corpus of 2,500 lacs; (ix) a pension fund with minimum corpus of 2,500 lacs; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; (xii) insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, HUFs (in the name of *Karta*), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts, and any FII sub-account registered with SEBI, which is a foreign corporate or foreign individual who can bid for an amount exceeding ₹ 2,00,000	Resident Indian Individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs, who shall be authorized to block such funds in the ASBA Account as detailed in the Bid cum Application Form, at the time of submission of the Bid cum Application	Full Bid Amount shall be blocked by the SCSBs, who shall be authorized to block such funds in the ASBA Account as detailed in the Bid cum Application Form, at the time of submission of the Bid cum Application	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form. In case of ASBA Bidders, the SCSBs shall be authorized to block such funds in the ASBA

	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
	Form to the SCSBs/Syndicate Members in Specified Cities For Anchor Investors, full Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Form to the SCSBs/Syndicate Members in Specified Cities	Account as detailed in the Bid cum Application Form.

This is an Issue of at least 25% of our Company's post-Issue capital pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations.

*This Issue is being made through a 100% Book Building Process, wherein atleast 50% of the Issue will be allocated to Qualified Institutional Buyers ("**QIBs**") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see "Issue Procedure" on page 228 of this Draft Red Herring Prospectus. Assuming Anchor Investor Portion is fully subscribed, out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.*

*Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price and Bidders may participate in this Issue through the ASBA process by providing the details of the respective bank accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details refer to chapter titled "Issue Procedure" beginning on page 228 of this Draft Red Herring Prospectus.*

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.

Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Issue Closing Date.

In the case of ASBA bidders the SCSBs shall be authorised to block such funds in the bank account of the ASBA bidders that are specified in the Bid cum Application Forms.

Under-subscription, if any, in the Non Institutional Portion and the Retail Portion, would be met with spill-over from other categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

Withdrawal of the Issue

Our Company in consultation with the BRLMs reserves the right not to proceed with the Issue at any time after the Bid/ Issue Opening Date but before Allotment. If our Company withdraws the Issue, it shall issue a public notice, within two days from the closure of the Issue, providing reasons for not proceeding with the Issue. The BRLMs through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such notification. The notice of withdrawal shall be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchanges shall also be informed promptly.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh Draft Red Herring Prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion (excluding the Anchor Investor Portion) are not allowed to withdraw their Bids after the Bid/Issue Closing Date and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period.

Letters of Allotment or Refund Orders or Instructions to SCSBs

Our Company shall give credit of Equity Shares Allotted, if any, to the beneficiary account with Depository Participants within two Working Days from the date of Allotment. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post or Direct Credit, National Electronic Fund Transfer ("**NEFT**") or National Electronic Clearing Service ("**NECS**") at the sole or First Bidder's sole risk within two Working Days from the date of Allotment. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bidders.

Interest in case of delay in dispatch of Allotment Letters/Refund Orders

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

- Allotment shall be made only in dematerialized form within 12 Working Days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT or NECS, shall be done within two Working Days from the date of Allotment;
- Instructions to the relevant SCSBs to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Bidders, will be given within 12 Working Days of the Bid/ Issue Closing Date; and
- Our Company shall pay interest at 15% per annum if Allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner within eight days from the day our Company becomes liable to repay, or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days of the Bid/Issue Closing Date.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue. Refunds will be made through any of the modes as described in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of refund to be made based on instructions received from the Registrar to the Issue.

Bidding Period

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

**Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*
***Our Company in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date.*

Except in relation to the Bids received from Anchor Investors, Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Form, the Designated Branches or Syndicate Members in Specified Cities except that:

(i) in case of Bids by QIBs the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date;

(ii) in case of Bids by Non-Institutional Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

(iii) in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company in consultation with BRLMs reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price may be revised up or down to the extent of 20% of the Floor Price and shall be disclosed at least two Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by intimation to Self Certified Syndicate Banks, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member(s).

Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in initial public offers, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, the Syndicate and the SCSBs shall not be responsible. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Bids by ASBA Bidders shall be uploaded by the SCSBs or the members of the Syndicate, in the electronic system to be provided by the Stock Exchanges.

ISSUE PROCEDURE

This section applies to all Bidders. All Bidders may participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to them before submitting a Bid through the ASBA process. All Bidders are required to pay the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount at the time of Bidding.

It may be noted that pursuant to SEBI Circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011 SEBI has decided to make the ASBA facility mandatory for non-retail investors i.e. QIBs (other than Anchor Investors) and Non Institutional Investors in all public/rights issues opening on or after May 2, 2011. Any Bidder may participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by SCSBs.

Further, our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations which may occur after the date of 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 applicable laws, regulations or approvals. Bidders are advised to make their own enquiries about the limits applicable to them.

Book Building Procedure

This is an Issue of at least 25% of our Company's post-Issue capital pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations.

This Issue is being made through a 100% Book Building Process, wherein atleast 50% of the Issue will be allocated to Qualified Institutional Buyers ("**QIBs**") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Assuming Anchor Investor Portion is fully subscribed, out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Any Bidder may participate in this Issue through the ASBA process by providing the details of the respective bank accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**").

If the aggregate demand in the QIB Portion has been met, any under-subscription in any category would be allowed to be met with spill-over from the other categories including the QIB Portion or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

Bidders are required to submit their Bids through the Syndicate Member(s) or their affiliates and ASBA Bidders are required to submit their Bids at the Designated Branches of SCSBs or through the Syndicate Members in Specified Cities.

In the case of QIB Bidders, our Company may, in consultation with the BRLMs, reject their Bids at the time of acceptance of the Bid cum Application Form, provided that reasons for such rejection will be provided in writing. In case of Non Institutional Bidders and Retail Bidders, our Company will have the right to reject the Bids on grounds, as mentioned in this Draft Red Herring Prospectus and the Red Herring Prospectus including grounds mentioned under paragraph titled *"Grounds for Technical Rejections"* on page 251 under the chapter titled "*Issue Procedure*" of this Draft Red Herring Prospectus.

Investors should note that Allotment to successful Bidders will be only in the dematerialized form. Bid cum Application Forms which do not have the details of the Bidders' depository accounts including Depository Participant Identity ("DP ID"), Permanent Account Number ("PAN") and Beneficiary Account Number ("BAN") will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges.

Bidders can Bid at any price within the Price Band. The Price Band, and the Bid lot for the Issue will be decided by our Company, in consultation with the BRLMs, and published at least two working day prior to the bid opening date, in an English national daily newspaper, a Hindi national daily newspaper and a regional (Marathi) daily newspaper each with wide circulation, with the relevant financial ratios calculated at the Floor Price and at the Cap Price.

Bid cum Application Form

Bid cum Application Forms will be available, for all categories of Bidders other than Anchor Investors, with the Syndicate Members and at our Registered Office. Bid cum Application Forms for Anchor Investors will be available at the office of the BRLMs. In addition, Bid cum Application Forms will also be available with the Designated Branches and Syndicate Members in Specified Cities, and electronic Bid cum Application Forms (for use by ASBA Bidders) will be available on the websites of the SCSBs and of the Stock Exchanges, at least one day prior to the Issue Opening Date. Copies of the Red Herring Prospectus shall, on a request being made by any Bidder, be furnished to such Bidder by our Company at our Registered Office or by BRLMs or by the Designated Branches.

Retail Bidders applying through the non ASBA process shall only use the Bid cum Application Form bearing the stamp of a Syndicate Member for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. Non Retail Bidders, bidding compulsorily through ASBA, shall indicate the mode of payment option as being "ASBA" on the Bid cum Application Form obtained from any member of the Syndicate, for the purpose of making a Bid in terms of this Draft Red Herring Prospectus.

The Bid cum Application Form, before being issued to Bidders, shall be serially numbered and the date and time shall be stamped at the Bidding centres and such form shall be signed by the Bidder and countersigned by the relevant member of the Syndicate or the SCSB, as the case may be. The Bid cum Application Form shall contain information about the Bidders, the price and the number of Equity Shares Bid for. The Bidder shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective bid prices) in the Bid cum Application Form and such options shall not be considered as multiple Bids.

On determination of the Issue Price and on the filing of the Prospectus with the RoC, the Bid cum Application Form will be treated as a valid application form. On completion and submission of the Bid cum Application Form to a member of the Syndicate, and in the case of an ASBA Bidder, either in physical form to a Designated Branch or to a Syndicate Members in Specified Cities or in electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding), the Bidder is deemed to have authorized our Company to make the necessary changes in the Bid cum Application Form as may be required under the SEBI ICDR Regulations and other applicable law, for filing the Prospectus with the RoC and as required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The mode and manner of Bidding is illustrated in the following chart:

Category of Bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) Non-ASBA	Bid cum Application Form	(i) For ASBA Bidders using physical Bid cum Application Form, to the members of the Syndicate/Sub-Syndicate only in Specified Cities; or (ii) For ASBA Bidders using physical Bid cum

Category of Bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
			Application Form, to the Designated Branches of the SCSBs where the ASBA account is maintained; or (iii) For ASBA Bidders using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained; or (iv) For non-ASBA Bidders using Bid cum Application Form, to the members of the Syndicate at the bidding centres.
Non-Institutional Bidders and QIBs (excluding Anchor Investors)	ASBA *(Kindly note that ASBA is mandatory and no other mode of Bidding is permitted as per SEBI Circular dated April 29, 2011)*	Bid cum Application Form (physical or electronic) with an indication of the mode of payment option being "ASBA"	(i) If using physical Bid cum Application Form, to the members of the Syndicate/ Sub-Syndicate in Specified Cities; or (ii) If using physical Bid cum Application Form, to the Designated Branches of the SCSBs where the ASBA account is maintained; or (iii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained.
Anchor Investors	Non-ASBA	Bid cum Application Form	BRLMs

ASBA Bidders, other than Anchor Investors, should submit the Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained. Anchor Investors should submit the Bid cum Application Form to the BRLMs. SEBI *vide* Circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011 has listed 12 bidding centres for availing ASBA facility through Syndicate/Sub-Syndicate Members. The Syndicate/Sub-Syndicate Members located in these 12 centres – Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat (together, the "**Specified Cities**") shall accept the Bid cum Application Forms after satisfying themselves that the SCSBs whose name has been filled in the Bid cum Application Forms has a branch in that centre to accept Bid cum Application Forms. An ASBA Bidder shall use the Bid cum Application Form obtained from the Designated Branches for the purpose of making a Bid. In case of application in physical mode, the ASBA Bidder shall submit the Bid cum Application Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Particular	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders)	White
Eligible NRIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders)	Blue
Anchor Investors	[●]

Who can Bid?

(i) Indian nationals resident in India, who are not minors or otherwise incompetent to contract, in single or joint names (not more than three), (a guardian can bid on behalf of a minor);

(ii) Hindu Undivided Families ("**HUFs**"), in the individual name of the *Karta*. Such Bidders 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 will be considered at par with those from individuals;

(iii) Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional or charter documents;

(iv) Mutual Funds registered with SEBI;

(v) Eligible NRIs (whether on a repatriation basis or on a non repatriation basis), subject to applicable law;

(vi) Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI ICDR Regulations and other applicable law);

(vii) FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;

(viii) Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only in the Non-Institutional Bidders Portion;

(ix) Venture capital funds registered with SEBI;

(x) Foreign Venture Capital Investors registered with SEBI, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in this Issue;

(xi) State Industrial Development Corporations;

(xii) 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 respective constitutional or charter documents to hold and invest in equity shares;

(xiii) Scientific and/or industrial research organizations authorized to invest in equity shares;

(xiv) Insurance companies registered with Insurance Regulatory and Development Authority;

(xv) Provident funds with a minimum corpus of ₹ 2,500 lacs and who are authorized under their constitutional documents to hold and invest in equity shares, subject to applicable laws,

(xvi) Pension Funds with a minimum corpus of ₹ 2,500 lacs and who are authorized under their constitutional documents to hold and invest in equity shares, subject to applicable laws,

(xvii) National Investment Fund;

(xviii) Insurance funds set up and managed by the army, navy or air force of the Union of India; and

(xix) Multilateral and bilateral development financial institutions;

(xx) Insurance funds set up and managed by the Department of Posts, India.

(xxi) Limited Liability Partnerships registered in India and authorized to invest in Class I equity shares.

All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

As per existing regulations under FEMA, Overseas Corporate Bodies (OCBs) cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

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.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law, rules, regulations, guidelines, approvals.

This Issue is being made through a 100% Book Building Process, wherein atleast 50% of the Issue will be allocated to Qualified Institutional Buyers ("QIBs") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of portion available for allocation to the QIBs, 5% of the QIB Portion (excluding Anchor Investor 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 proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Participation by Associates and affiliates of the BRLMs and Syndicate Member(s)

The BRLMs and the Syndicate Member(s) are not entitled to Bid for Equity Shares in this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and Syndicate Member(s) are entitled to Bid for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where allocation will be on a proportionate basis, either on their own account or on behalf of their clients.

The BRLMs and any persons related to the BRLMs or our Promoters and our Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, 5% of the QIB Portion, is reserved for Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Funds portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such bids are made.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds for allocation on a discretionary basis, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

As per current regulations, the following restrictions apply to investments by Mutual Funds:

No Mutual Fund scheme may invest more than 10% of its net asset value in equity shares or equity related instruments of any company, provided that the limit of 10% will not apply to investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes may own over 10% of any company's paid-up share capital carrying voting rights.

Bids by asset management companies or custodians of Mutual Funds should clearly indicate the name of the concerned scheme for which the Bid is submitted.

Multiple Bids

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

Bids by Non Residents including Eligible NRIs and FIIs on a repatriation basis

There is no reservation for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bids by Eligible NRIs

(i) Bid cum Application Forms for Eligible NRIs will be available at our Registered Office and with the members of the Syndicate or SCSBs, as the case may be.

ii) Only Bids accompanied by payment in freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through Non Resident Ordinary ("**NRO**") accounts or by debits to their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts should use the Bid cum Application Form meant for Resident Indians (white in colour).

(iii) Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by nonresident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("**NRO**") accounts.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 will be considered in the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 2,00,000 will be considered in the Non-Institutional Portion for the purposes of allocation. All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII or a sub-account should not exceed 10% of our Company's post-Issue capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account will not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. The total holding of all FIIs in a company is subject to a cap of 24% of the total issued capital of a company which can be increased up to the percentage of the relevant sectoral cap on FDI in respect of such company with the passing of a special resolution by the shareholders of the company in a general meeting.

FDI upto 100% is permitted under the automatic route for (i) generation and transmission of electric energy produced in-hydro electric, coal/lignite based thermal, oil based thermal and gas based thermal power plants, (ii) non-conventional energy generation and distribution, (iii) distribution of electric energy to households, industrial, commercial and other users, and (iv) power trading.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI ICDR Regulations. Associates and affiliates of the Underwriters, including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on, or interest in, our Company.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVCI registered with SEBI should not exceed 25% of the corpus of the venture capital fund or FVCI. However, venture capital funds or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers of venture capital undertakings. Pursuant to the SEBI ICDR Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from Lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing this Draft Red Herring Prospectus with SEBI.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance 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 USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lacs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Certain additional documents are required to be submitted by the following entities:

1) **Bids by banking companies**
The investment limit for banking companies as per the Banking Regulation Act, 1949, is 30% of the paid-up share capital of the investee company or 30% of the bank's own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in equity shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2011).

2) **Bids by insurance companies**
In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

3) **Bids by provident funds / pension funds**
In case of Bids made by provident fund with the minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension fund with the minimum corpus of ₹ 2,500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

4) **Bids by limited liability partnerships**
In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modifications or changes in the 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.

Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

Our Company in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs deem fit. Our Company in its absolute discretion, reserves 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, 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.

Our Company and the Syndicate Member(s) are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus. Our Company and the Syndicate Member(s) do not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

(i) ***For Retail Individual Bidders***: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Bids, Retail Individual Bidders should ensure that the Bid Amount does not exceed ₹ 2,00,000. If the Bid Amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to be Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional Portion only if the bidding was done through ASBA. The option to Bid at the Cut-Off Price is available only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of Book Building process.

(ii) ***For Other Bidders (Non-Institutional Bidders and QIBs)***: The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 2,00,000. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable law. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid. Our Company in consultation with the BRLMs, may close Bid/Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date. Accordingly, a QIB bidder will not be allowed to withdraw their Bids after the Bid/Issue Closing Date. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids using the ASBA process**.

In case of revision in Bids, Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion. If the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion will be considered for allocation in the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price.

(iii) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least ₹ 1,000 lacs and in multiples of [●] Equity Shares thereafter. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. Bids by Anchor Investors under the Anchor Investor Portion and the remaining QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. Anchor Investors are not allowed to submit their Bid through the ASBA process. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the Anchor Investor Pay-in Date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.**

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(i) The Red Herring Prospectus will be filed by our Company with the RoC at least three days before the Bid/Issue Opening Date.

(ii) Subject to the provisions of section 66 of the Companies Act, 1956, our Company shall, after registering the Red Herring Prospectus with the Registrar of Companies, make a pre-issue advertisement in two widely circulated national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(iii) Copies of the Bid cum Application Form and the Red Herring Prospectus will be available with the members of the Syndicate, SCSBs, our Registered Office, on the websites of the SCSBs and Stock Exchanges. Further, the SCSBs and Syndicate Members will ensure that the abridged prospectus is made available on their websites.

(iv) Any Bidder (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office or from any member of the Syndicate.

(v) The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi), and one Marathi newspaper being the regional newspaper with, each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(vi) The Syndicate Member(s) (in accordance with the terms of the Syndicate Agreement) and the Designated Branches of the SCSBs will accept Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus.

(vii) Eligible Bidders interested in Bidding for the Equity Shares may approach any member of the Syndicate or their authorized agent(s) to register their Bids. Eligible Bidders may also approach the Designated Branches of the SCSBs or Syndicate Members in Specified Cities to register their Bids under the ASBA process.

(viii) For ASBA Bidders, copies of Bid cum Application Forms will also be available for downloading and printing from websites of the Stock Exchanges (which provide electronic interface for ASBA facility) – www.bseindia.com and www.nseindia.com. The BRLMs and the SCSBs will provide the hyperlink to websites of the Stock Exchanges on their websites. A unique application number will be generated for every Bid cum Application Form downloaded and printed from websites of the Stock Exchanges.

(ix) QIBs (other than Anchor Investors) and Non Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process or the non-ASBA process. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI ICDR Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to (i) submit the Bid cum Application Form in electronic form; or (ii) submit Bids through the Syndicate Members in Specified Cities.

(x) The Bids should be submitted on the prescribed Bid cum Application Form only. Bids by ASBA Bidders will be accepted by the SCSBs and members of Syndicate in Specified Cities in accordance with the SEBI ICDR Regulations and any other circulars issued by SEBI in this regard. Bid cum Application Forms should bear the stamp of the members of the Syndicate or Designated Branch of the SCSBs, as the case may be. Bid cum Application Forms (except electronic Bid cum Application Forms for ASBA process) which do not bear the stamp of a member of the Syndicate or the Designated Branch are liable to be rejected.

(xi) Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for Allocation/Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic bidding systems of the Stock Exchanges. In order that the data so captured is accurate, the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid/Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Bidding Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with NSDL and CDSL.

(xii) Except for Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court and Bidders resident in the state of Sikkim who may be exempt from specifying their PAN for transacting in the securities market, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

(xiii) We, in consultation with the BRLMs, can finalise the Issue Price within the Price Band, without the prior approval of, or intimation to the Bidders.

The Bidders should note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate or SCSBs do not match with the DP ID and Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected and our Company, SCSBs and members of the Syndicate shall not be liable for losses, if any.

Additional information for ASBA Bidders

(i) Physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate in Specified Cities and at our Registered Office. The Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. Further, the SCSBs will ensure that a soft copy of the abridged Red Herring Prospectus is made available on their websites.

(ii) The physical Bid cum Application Forms can be submitted to either (i) a member of Syndicate in Specified Cities or (ii) to the SCSBs with whom the ASBA Account is maintained. Bid cum Application Forms in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the members of Syndicate. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in Specified Cities. Kindly note that Bid cum Application Form submitted to members of the Syndicate in Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of an SCSB where the ASBA Account is maintained.

(iii) ASBA Bidders should ensure that they have funds equal to the Payment Amount in the ASBA Account before submitting the Bid cum Application Form to the members of the Syndicate in Specified Cities or the respective Designated Branch. In the event the corresponding ASBA Account does not have funds equal to the Payment Amount at the time of blocking the ASBA Account, the Bid will be rejected.

(iv) The members of the Syndicate in Specified Cities and the SCSBs shall accept Bids only during the Bid/Issue Period.

(v) Bid cum Application Forms submitted to the members of the Syndicate should bear the stamp of the members of the Syndicate; otherwise they are liable to be rejected. Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch or the member of the Syndicate in Specified Cities, if not, the same are liable to be rejected.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN, DP ID and Client ID. In cases where the PAN, DP ID and Client ID is same, such Bids will be treated as multiple applications.

Based on the information provided by the Depositories, our Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship)

Instructions for completing the Bid cum Application Form

Bids and revisions of Bids must be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(ii) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(iii) Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible.

(iv) For Retail Individual Bidders (including Eligible NRIs), the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 2,00,000. In case the Bid Amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional Bidders portion only if the bidding was done through ASBA. The option to Bid at the Cut-Off Price is available only to Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(v) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 2,00,000. Bids cannot be made for more than the Issue size. Anchor Investors must ensure that their Bids must be for a minimum of such number of Equity Shares that the Payment Amount is at least ₹ 1,000 lacs. Bids cannot be made exceeding the Issue size. Bidders are advised to ensure that a single Bid by them is under the applicable laws or regulations. Bids should be submitted using the ASBA process to a Syndicate Member (in Specified Cities) or at Designated Branches of the SCSB.

(vi) Bids by various schemes of a Mutual Fund in the Anchor Investor Portion shall be considered together for the purpose of calculation of the minimum Bid Amount of ₹ 10,00,00,000.

(vii) Bids by Eligible NRIs, FVCIs and FIIs on a repatriation basis will be in the names of individuals, or in the names of such FIIs, respectively, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(viii) In a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(ix) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(x) If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should be signed by the account holder as provided in the Bid cum Application Form.

(xi) Bids through ASBA must be made in the Bid cum Application Form with an indication that the payment mode is "ASBA" (if submitted in physical mode) or electronic mode. ASBA Bidders should correctly mention the ASBA Account number in the Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the Bid cum Application Form to the respective Designated Branch.

Submission of Bid cum Application Form

Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts will be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form will be submitted to the Designated Branches of the SCSBs or to Syndicate Members in Specified Cities at the following 12 locations: Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat. In case the ASBA Bidder submits its Bid through a member of the Syndicate at one of the locations mentioned above, the Bid will be uploaded by that member of the Syndicate in the electronic bidding system of the Stock Exchanges and the Bid cum Application Form will then be forwarded to the concerned SCSB for further action including signature verification and blocking of funds. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSBs, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with the

SCSB, and accordingly register such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form.

No separate receipts will be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, 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.

General Instructions

Dos:

(i) Check if you are eligible to apply under the applicable laws, rules, regulations, guidelines, and approvals, and the terms of this Draft Red Herring Prospectus;

(ii) Ensure that you have Bid within the Price Band;

(iii) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) and the Non-Resident Bid cum Application Form (blue in colour), as the case may be;

(iv) Ensure that the details about the PAN, Depository Participant and Beneficiary Account are correct, and the Beneficiary Account is activated, as Allotment of Equity Shares will be in dematerialized form only;

(v) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted to a Syndicate Members in Specified Cities or at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account.

(vi) With respect to Bids by ASBA Bidders ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

(vii) Ensure that the full Bid Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;

(viii) If bidding through the ASBA process, ensure that you have funds equal to the Bid Amount in the account maintained with the SCSB before submitting the Bid cum Application Form to the respective Designated Branch of the SCSB;

(ix) For ASBA Bidders, ensure that you have correctly checked the authorisation box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form.

(x) Instruct your respective banks to not release the funds blocked in the ASBA Accounts;

(xi) Ensure that you request for and have received a TRS for all your Bid options;

(xii) For bidders bidding through the ASBA process, ensure that you receive an acknowledgement from the Designated Branch for the submission of your Bid cum Application Form;

(xiii) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB, as the case may be, through whom the original Bid was placed and obtain a revised TRS/ acknowledgment, as the case may be;

(xiv) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Applications in which the PAN is not mentioned will be rejected, In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004;

(xv) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;

(xvi) 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. If the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

(xvii) Ensure that the DP ID, Client ID and PAN in the Bid cum Application Forms matches that in the Depository database; and

(xviii) QIBs (other than Anchor Investors) and Non-Institutional Bidders should only submit their Bids using the ASBA process.

Don'ts:

(i) Do not Bid for an amount lower than the minimum Bid size;

(ii) Do not submit a Bid without payment of the entire Bid Amount;

(iii) Do not Bid/revise the Bid to less than the Floor Price or higher than the Cap Price;

(iv) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate, Sub-Syndicate Members or to SCSBs;

(v) Do not pay the Bid Amount in cash, by money order or by postal order or by stock invest and in relation to ABSA Bidders in any other mode other than blocked amounts in the ASBA Accounts;

(vi) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch, as applicable;

(vii) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of ₹ 2,00,000);

(viii) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceed the Issue size and/or investment limit or maximum number of Equity Shares that can be held by a Bidder under applicable law or the maximum amount permissible under applicable regulations;

(ix) Do not submit more than five Bid cum Application Forms per bank account if bidding through the ASBA process;

(x) Do not Bid for amount exceeding ₹ 2,00,000 in case of a Bid by Retail Individual Bidders;

(xi) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(xii) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which beneficiary account is suspended or for which such details cannot be verified by the Registrar to the issue;.

(xiii) Do not submit the Bids without a guardian in the case of Bids by minors;

(xiv) Do not submit a Bid that does not comply with the securities laws of your respective jurisdictions; Do not submit a Bid in case you are not competent to contract under the Indian Contract Act, 1872;

Instructions specific to ASBA Bidders

Do's:

(i) Check if you are eligible to Bid under the ASBA process.

(ii) Ensure that you indicate the mode of payment as "ASBA" in the Bid cum Application Form for the purposes of applying through the ASBA process.

(iii) Read all the instructions carefully and complete the Bid cum Application Form.

(iv) Before submitting the physical Bid cum Application Form with the Member of the Syndicate for Bidding through Syndicate ASBA ensure that the SCSB, whose name has been filled in the Bid cum Application Form, has named a branch in that centre;

(v) Ensure that your Bid cum Application Form is submitted to a Syndicate Member (in Specified Cities) or at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue or the BRLMs;

(vi) Ensure that the Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.

(vii) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form.

(viii) Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form to the respective Designated Branch.

(ix) Ensure that you have correctly checked the authorisation box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form.

(x) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB or the concerned Member of the Syndicate, as the case may be for the submission of your Bid cum Application Form.

(xi) Submit the Revision Form with the same Designated Branch or concerned Member of the Syndicate, as the case may be, through whom the Bid cum Application Form was placed and obtain a revised acknowledgment;

(xii) 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, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(i) Do not Bid through another Bid cum Application Form after you have submitted a Bid to a Syndicate Member or at a Designated Branch of the SCSB;

(ii) Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA process;

(iii) Do not send your physical Bid cum Application Form by post. Instead submit the same to a Syndicate/Sub-Syndicate Member or at a Designated Branch of the SCSB;

(iv) Do not submit more than five Bid cum Application Forms per ASBA Account.

Method and Process of Bidding

(i) Our Company and the BRLMs will declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and publish these dates at least two Working Days prior to the Bid/Issue Opening Date in two national daily newspapers, in English and in Hindi and one regional daily newspaper, in Marathi each with wide circulation. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period. The advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations.

(ii) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLMs, and announced at least two Working Days prior to the Bid/Issue Opening Date in two national daily newspapers, in English and in Hindi and one Marathi daily newspaper, each with wide circulation.

(iii) The members of the Syndicate will accept Bids from the all Bidders and will have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids after indicating the mode of payment option as ASBA.

(iv) The Bidding Period will be for at least three Working Days and not exceeding 10 Working Days (including the days for which the Issue is open in case of revision in Price Band). The Bid/ Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. If the Price Band is revised, the revised Price Band and the Bidding Period will be published in two national daily newspapers, in English, and in Hindi and one Marathi daily newspaper, each with wide circulation, together with an indication of such change on the websites of the BRLMs and SCSBs and at the terminals of the Syndicate Member(s).

(v) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate Members (in Specified Cities) to register their Bids or through internet enabled bidding and banking facility of SCSB.

(vi) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see "***Bids at Different Price Levels***" at page 244), within the Price Band and specify the demand (*i.e.*, the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(vii) 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 or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled *"Build up of the Book and Revision of Bids"*.

(viii) Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate or the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**"), and SCSBs will generate an acknowledgement for each price and demand option and will, on demand, give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. With respect to the ASBA Process, Bid cum Application Forms collected by any member of the Syndicate, the Syndicate Member will issue an acknowledgement by giving the counter foil of the Bid cum Application Form to the ASBA Bidder. The TRS will be generated by the concerned SCSB after blocking of funds. The TRS shall be furnished to the ASBA Bidder on request.

(ix) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/Issue Period i.e. one working day prior to the Bid/Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the remaining QIB Portion shall not be considered as multiple Bids.

(x) With respect to ASBA Bidders, on receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB will verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(xi) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB will reject such Bids and will not upload such Bids with the Stock Exchanges.

(xii) If sufficient funds are available in the ASBA Account, the SCSB will block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(xiii) Upon submission of the Bid cum Application Form by a bidder bidding under the ASBA process to a Syndicate Member (in Specified Cities), they shall upload such Bids with the Stock Exchanges.

(xiv) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount for Allotment of Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

(xv) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "***Payment Instructions***" beginning on page 247 of this Draft Red Herring Prospectus.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

(i) The Price Band and the minimum Bid lot size will be decided by our Company in consultation with the BRLMs and announced at least two Working Days prior to the Bid/Issue Opening Date, in two national daily newspapers, in English and in Hindi and one Marathi daily newspaper, each with wide circulation.

(ii) Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. The revision in Price Band will not exceed 20% on either side *i.e.* the floor price can move upward or downward to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

(iii) Our Company, in consultation with the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(iv) In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days after revision of Price Band subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in two national daily newspapers, each with wide circulation, in English and in Hindi and one Marathi daily newspaper, with wide circulation, and by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the Syndicate Members.

(v) Our Company in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this section, without the prior approval of or intimation to the Bidders.

(vi) The Bidder can Bid at any price within the Price Band in multiples of ₹ 1. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at Cut-off Price. However, Bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders will be rejected.

(vii) Retail Individual Bidders who Bid at the Cut-off Price agree that they will purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price will deposit the Bid Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders bidding at Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price, the Retail Individual Bidders who Bid at Cut-off Price will receive the refund of the excess amounts from the Escrow Account(s).

(viii) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 2,00,000 for Retail Individual Bidders, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 2,00,000 for Retail Individual Bidders Bidding at the Cut-off Price the Bid will be considered for allocation in the Non-Institutional Portion 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 Price prior to revision, the number of Equity Shares Bid for will be adjusted downwards for the purpose of Allotment, such that no additional payment will be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(ix) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be refunded from the Escrow Account(s) or unblocked by the SCSBs.

(x) Our Company in consultation with the BRLMs will decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of ₹ 5,000 to ₹ 7,000. In the event of any revision in the Price Band, whether upward or downward, the minimum Bid size will remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum Bid is not in the range of ₹ 5,000 to ₹ 7,000.

(xi) When a Bidder has revised 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 Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of revision of the previous Bid.

(xii) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB or the Syndicate/ Sub-Syndicate Member (such Syndicate/ Sub-Syndicate Member to further instruct the relevant SCSB) to whom the original Bid was submitted shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. 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 Red Herring Prospectus.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of Bidder's PAN, DP ID and BAN provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs as the case may be, the Registrar will obtain from the Depository the demographic details including the Bidder's address, occupation and bank account details including the nine-digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf ("**Demographic Details**"). These Demographic Details will be used for giving refunds and Allocation Advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs, the Registrar, the Escrow Collection Banks, the SCSBs nor our Company will have any responsibility or undertake any liability for this. Accordingly, Bidders should carefully fill in their depository account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DP ID AND CLIENT ID IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM IS THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders may note that in case the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or the SCSBs do not match with the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN available in the Depository database, the application Bid cum Application Form is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder is deemed to have authorized the Depositories to provide to the Registrar, on request, the required Demographic Details as available in their records.

Refund Orders (where refunds are not being made electronically)/allotment advice/CANs will be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Delivery of refund orders/Allotment advice/CANs may be delayed if the same, once sent to the address obtained from the Depositories, are returned undelivered. In such event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form will be used only to ensure dispatch of refund orders. Any such delay will be at the Bidders sole risk and neither our Company nor Escrow Collection Banks nor the BRLMs nor the members of the Syndicate nor the Registrar will be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidders PAN (in case of joint Bids, PAN of first Bidder), the DP ID and BAN, such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein. The Bid cum Application Form or the Revision Form will be available at our Registered Office and with the members of the Syndicate.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 2,00,000 would be considered under Non- Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only 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 US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

In accordance with the FEMA and regulations thereunder, OCBs cannot Bid in the Issue.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Payment Instructions

Payment mechanism for ASBA Bidders

For ASBA Bids submitted to the members of the Syndicate Members in Specified Cities, the members of the Syndicate shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid cum Application Form with the relevant branch of the SCSB in Specified City authorized to accept such Bid cum Application Form from the members of the Syndicate (a list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Payment Amount specified in the Bid cum Application Form.

For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Payment Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

ASBA Bidders should ensure that they have funds equal to the Payment Amount in the ASBA Account before submitting the Bid cum Application Form to the members of the Syndicate Members in Specified Cities or the respective Designated Branch. An ASBA Bid where the corresponding ASBA Account does not have sufficient funds equal to the Payment Amount at the time of blocking the ASBA Account will be rejected.

In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid/Issue Closing Date. The Payment Amount shall remain blocked in the ASBA Account until finalization of basis of allotment and consequent transfer of the Payment Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate Member(s) will open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders will 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 will be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks will maintain the monies in the Escrow Account(s) for and on behalf of the Bidders until the Designated Date. The Escrow Collection Banks will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks will transfer the funds represented by allotment of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Escrow Collection Banks. The balance amount after transfer to the Public Issue Account will be transferred to the Refund Account. Payments of refund to the Bidders will also be made from the Refund Account are per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate Member(s), the Escrow Collection Banks and the Registrar to facilitate collections from Bidders.

Payment into Escrow Account(s) for Bidders other than ASBA Bidders

Each Bidder (other than ASBA Bidders) will draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the entire Bid Amount as per the following terms:

(i) All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

(ii) The Bidders will, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit it to the member of the Syndicate. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

(iii) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- In case of resident Retail Individual Bidders: "Escrow Account- [●] -R "
- In case of Non-Resident Retail Bidders: "Escrow Account- [●] -NR"

(iv) In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors will be required to pay such additional amount to the extent of shortfall between the Anchor Investor Issue Price and the Issue Price within the Anchor Investor Pay-in Date referred to in the revised Allotment Advice. If the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by Anchor Investors will not be refunded to them.

(v) Our Company in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. The payment instruments for payment into the Escrow Account(s) for Anchor Investors should be drawn in favour of:

- In case of resident Anchor Investors: "[●]"
- In case of non-resident Anchor Investors: "[●]"

(vi) In case of Bids by NRIs applying in the Retail Portion on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

(vii) In case of Bids by NRIs applying in the Retail Portion 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 Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (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.

(viii) In case of Bids by FIIs or FVCIs the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that this Draft has been issued by debiting the Special Rupee Account.

(ix) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders until the Designated Date.

(x) On the Designated Date, the Escrow Collection Banks will transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement the Red Herring Prospectus and the Prospectus into the Public Issue Account with the Escrow Collection Banks.

(xi) Within 12 Working Days from the Bid/Issue Closing Date, the Registrar will dispatch all refund amounts payable to unsuccessful Bidders and also any excess amount paid on Bidding, after adjusting for allocation/Allotment to the Bidders.

(xii) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.

(xiii) Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

Other Instructions

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid is made. Bids by Mutual Funds under the Anchor Investor Portion and the remaining QIB Portion will not be considered as multiple Bids.

After Bidding on a Bid cum Application Form through the ASBA process either in physical or electronic mode, where such Bid is submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another Bid cum Application Form. Submission of a second Bid cum Application Form to either the same or to another Designated Branch of the SCSB, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the heading titled *"Build up of the Book and Revision of Bids"* under the chapter titled "*Issue Procedure*" beginning on page 228 of this Draft Red Herring Prospectus.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids include the following:

- All Bids will be checked for common PAN as per Depository records. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and are liable to be rejected.
- For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids for whom the submission of PAN is not mandatory such as on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bids will be scrutinized for DP ID and Client ID. In case such Bids bearing the same DP ID and Client ID will be treated as multiple Bids and are liable to be rejected.

Our Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple applications. In cases where the PAN is different, the same will be deleted from this master.
The Bids will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

"PAN" or "GIR" Number

In accordance with the SEBI ICDR Regulations, the PAN will be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Except for

Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act.
Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants' verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address.

Bid cum Application Forms without the PAN are liable to be rejected. In cases where the PAN is same, such Bids will be treated as multiple applications. Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bidding Period by submitting a request for the same to the SCSBs or the Syndicate Members in Specified Cities, as the case may be, through whom the ASBA Bid had been placed, who shall do the requisite, including deletion of details of the withdrawn ASBA Bid from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB Bidders) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the Basis of Allotment.

Right to Reject Bids

In case of QIB Bidders Bidding in the QIB Portion, the Syndicate Member(s), may reject Bids provided that such rejection will be made at the time of acceptance of the Bid and the reasons for rejecting such Bids will be provided to such Bidder in writing. Further, QIB Bids can also be rejected on technical grounds listed on page 251 of this Draft Red Herring Prospectus. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has the right to reject Bids based only on technical grounds and/or as specified in the Red Herring Prospectus. Consequent refunds will be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's sole risk.

With respect to ASBA Bids, the Designated Branches of the SCSBs will have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in such ASBA Account. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company will have a right to reject the ASBA Bids only on technical grounds and/or as specified in the Red Herring Prospectus.

The Bidders are advised that in case the DP ID, BAN and PAN mentioned in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, BAN and PAN available in the depository database, the Bid is liable to be rejected.

Grounds for Technical Rejections

Bidders are advised that incomplete Bid cum Application Forms and Bid cum Application Forms that are not legible will be rejected by the members of the Syndicate or SCSBs. Bidders are advised to note that Bids are liable to be rejected on technical grounds including the following:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

- Application on plain paper;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such will be entitled to apply (other than limited liability partnerships);

- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors in their individual capacity;

- PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);

- GIR number furnished instead of PAN;

- Where PAN details are not verified by demat accounts, i.e. where the demat account is "suspended for credit";

- Bids for lower number of Equity Shares than specified for that category of investors;

- Bids at a price less than the Floor Price;

- Bids at a price over the Cap Price;

- Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;

- Bids by Non-Institutional and QIB Bidders (other than Anchor Investors) other than through ASBA

- Bids through the non-ASBA process submitted by Retail Individual Bidders, wherein the Bid Amount exceeds ₹ 2,00,000 upon revision of Bids;

- Where the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form is not signed by the ASBA Account holder as provided in the Bid cum Application Form

- Submission of more than five Bid cum Application Forms bearing the same ASBA Account;

- Bids for number of Equity Shares which are not in multiples of [●];

- Bidder category not ticked;

- Multiple Bids as described in this Draft Red Herring Prospectus;

- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks

- Bids accompanied by cash, stock, invest, money order or postal order;

- Signature of sole and/or joint Bidders missing. In addition, with respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;

- Bids by QIBs not intimated to the BRLMs;

- Bid cum Application Form does not have the stamp of the BRLMs the Syndicate Members or Designated Branches (except for electronic ASBA Bids), as the case may be;

- Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;

- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and the Red Herring

Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first Bidder), the DP ID and the beneficiary's account number;

- With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;

- Authorisation for blocking funds in the ASBA Account not ticked or provided;

- Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;

- Bids by OCBs;

- Bids by QIBs uploaded after 4.00 P.M. on the Bid/Issue Closing Date for QIBs, Bids by Non-Institutional Bidders uploaded after 4.00 P.M. on the Bid/Issue Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 P.M. on the Bid/Issue Closing Date;

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

- Bids by persons who are not eligible to acquire Equity Shares under applicable law or their relevant constitutional documents or otherwise; and

- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and

- Bids not uploaded on the terminals of the Stock Exchanges.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE BRLMs/SYNDICATE MEMBERS/SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES THE APPLICATION IS LIABLE TO BE REJECTED.

Electronic Registration of Bids

(i) The members of the Syndicate and the SCSBs will register the Bids received using the online facilities of the Stock Exchanges.

(ii) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(iii) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted.

(iv) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bid/Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs will upload the Bids until such time as may be permitted by the Stock Exchanges.

(v) Due to the 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. This information will be available with the BRLMs on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days, i.e., Monday to Friday (excluding any public holiday).

(vi) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price will be made available at the Bidding centres and at the websites of each of the Stock Exchanges during the Bidding Period.

(vii) At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate will enter the following details of the Bidder in the electronic 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
- Bid cum Application Form number.
- Investor Category – retail and Eligible NRI.
- PAN of the first applicant.
- DP ID and Client ID of the Bidder.
- PAN of the Bidder
- Numbers of Equity Shares Bid for.
- Bid Price per equity Share Price option.
- Bid Amount.
- Cheque details.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the Designated Branches of the SCSBs and the Syndicate Members (in Specified Cities) shall enter the following information pertaining to the ASBA Bidders into the online system:

- Name of the ASBA Bidder(s);
- Application Number;
- PAN (of First ASBA Bidder, in case of more than one ASBA Bidder);
- Investor Category - Individual, Corporate, FII, NRI, Mutual Funds, etc;
- Employee/shareholder (reservation if any);
- DP ID and Client ID of the Bidder;
- Beneficiary account number of Equity Shares Bid for;
- Bid Price per Equity Shares;

- Bid Quantity;
- Bid Amount; and
- SCSB account number.

(viii) A system generated TRS, on demand, 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/acknowledgement from the members of the Syndicate or Designated Branches.** The registration of the Bid by the member of the Syndicate or the Designated Branches does not guarantee that the Equity Shares will be allocated/Allotted either by the Syndicate or our Company.

(ix) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(x) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) members of the Syndicate (only in Specified Cities) have the right to accept the Bid or reject it. However, such rejection will be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids may be rejected on technical grounds only. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. Furthermore, the SCSBs will have no right to reject Bids except on technical grounds.

(xi) 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 and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(xii) Only Bids that are uploaded on the online IPO system of the Stock Exchanges will be considered for allocation/Allotment. The members of the Syndicate will be given one Working Day after the Bid/Issue Closing Date to verify the information uploaded on the online IPO system during the Bidding Period after which the Registrar to the Issue will receive this date from the Stock Exchanges and will validate the electronic bid details with the depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely, DP ID, Beneficiary Account Number and PAN, then such bids are liable to be rejected.

(xiii) The BRLMs, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It will be presumed that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(xiv) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.

(xv) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

a. Bids received from various Bidders through the members of the Syndicate and the SCSBs will be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

b. The book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bidding Period.

c. During the Bid/ Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise the Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

d. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

e. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

f. Any revision of the Bid will be accompanied by payment in the form of cheque or demand draft for any incremental amount to be paid on account of the upward revision of the Bid. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB will block the additional Bid Amount. In case of Bids other than ASBA Bids, the members of the Syndicate will collect any payment to be paid on account of the upward revision of the Bid at the time of one or more revisions, in the form of cheque or demand draft. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment.

g. When a Bidder revises his or her Bid, he or she will surrender the earlier TRS and will, on demand, receive a revised TRS from the members of the Syndicate or Designated Branches, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

h. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. For Retail Individual Bidders, in case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

i. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

j. Our Company, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.

Price Discovery and Allocation

(i) Based on the demand generated at various price levels, our Company in consultation with the BRLMs will finalize the Issue Price and the Anchor Investor Issue Price.

(ii) If the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In case we do not receive subscriptions of at least 50% of the Issue from QIBs, the subscription monies shall be refunded.

(iii) Allocation to Non-Residents, including Eligible NRIs, FIIs and foreign venture capital funds registered with SEBI, applying on repatriation basis will be subject to applicable law.

(iv) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the SEBI ICDR Regulations.

(v) If the demand of atleast 50% in the QIB Portion has been met, any under-subscription in any other category would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

(vi) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date, but before the Allotment without assigning any reasons whatsoever.

(vii) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the SEBI ICDR Regulations.

(viii) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

(ix) The Basis of Allotment status detail shall be put up on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(i) Our Company, the BRLMs and the Syndicate Member(s) will enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price.

(ii) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act, which then will be termed the "Prospectus". The Prospectus will contain details of the Issue Price, Anchor Investor Issue Price (in the event Anchor Investors participate in this Issue), Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in two national daily newspapers, in English and in Hindi and one Marathi daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, will indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN. All Anchor Investors will be sent a CAN post Anchor Investor Bid/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the Anchor Investor Pay-in Date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the Anchor Investor Pay-in Date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice and the amount in excess of the Issue Price paid by Anchor Investors will not be refunded to them. The Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalized at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Issuance of Confirmation of Allotment Note ("CAN")

(i) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(ii) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

(iii) The Issuance of Allotment Advice is subject to "Notice to Anchor Investors: Allotment Reconciliation and CANs" as set forth above.

Designated Date and Allotment of Equity Shares

Our Company will ensure that (i) the Allotment; and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidder's depository account is completed within two Working Days from the date of Allotment.

(i) In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment will be made only in dematerialized form to successful Allottees.

(ii) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them in this Issue.

Basis of Allotment

For Retail Individual Bidders

(i) Bids received from Retail Individual Bidders at or above the Issue Price will be grouped together to determine the total demand under this category. Allotment to successful Retail Individual Bidders will be made at the Issue Price.

(ii) The Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

(iii) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment will be made to successful Retail Individual Bidders, to the extent of their valid Bids.

(iv) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment will be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment, see below.

For Non-Institutional Bidders

(i) Bids received from Non-Institutional Bidders at or above the Issue Price will be grouped together to determine the total demand under this category. Allotment to successful Non-Institutional Bidders will be made at the Issue Price.

(ii) The Issue size less Allotment to QIBs and Retail Portion will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

(iii) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment will be made to Non-Institutional Bidders to the extent of their demand.

(iv) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment will be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment see below.

For QIBs in the QIB Portion (other than Anchor Investors)

(i) Bids received from the QIB Bidders at or above the Issue Price will be grouped together to determine the total demand under this portion. Allotment to successful QIB Bidders will be made at the Issue Price. The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

(ii) Allotment will be undertaken in the following manner:

- In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) will be determined as follows:

  (a) In the event Mutual Fund Bids exceed 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds will be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

  (b) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds will get full Allotment to the extent of valid Bids received above the Issue Price.

  (c) Equity Shares remaining unsubscribed and not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (iii) below;

(iii) In the second instance Allotment to all QIBs will be determined as follows:

- In the event of over-subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price will be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

- Mutual Funds which have received allocation as per (a) above for less than the number of Equity Shares Bid for by them are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

- Any under-subscription from Mutual Funds below 5% of the QIB Portion will be included for allocation to the remaining QIB Bidders on a proportionate basis.

For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to ₹ 25,000 lacs and minimum number of five Anchor Investors for allocation more than ₹ 25,000 lacs.

- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid/Issue Opening Date by intimating the same to the Stock Exchanges.
- Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company will finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar will be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment will be made in marketable lots, on a proportionate basis as explained below:

(i) Bidders will be categorized according to the number of Equity Shares applied for.

(ii) The total number of Equity Shares to be allotted to each category as a whole will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(iii) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

(iv) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment will be made as follows:

- The successful Bidders out of the total Bidders for a category will be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is as far as possible, equal to the number of Equity Shares calculated in accordance with (iii) above; and

- Each successful Bidder will be allotted a minimum of [●] Equity Shares.

(v) If the proportionate Allotment to a Bidder is a number that is more than but is not a multiple of one (which is the marketable lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it will be rounded off to the lower whole number. Allotment to all in such categories will be arrived at after such rounding off.

(vi) 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 will be first adjusted against any other category, where the allocated Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. Any Equity Shares remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

(vii) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.

Refund Orders and instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS and NEFT. For all other applicants, including those who have not updated their bank particulars with the MICR code, our Company shall ensure dispatch of the refund orders of value up to ₹ 1,500, through ordinary post and orders equal to or above ₹ 1,500 will be dispatched through registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful and such surplus funds for partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders, including in cases of excess Bid Amount/ instruction to the SCSBs by the Registrar to the Issue

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the CAN or refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 12 days from the Bid/ Issue Closing Date, whichever is applicable.

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

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of refund to be made based on instructions received from the Registrar to the Issue.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per Section 68B of the Companies Act, the Allotment of Equity Shares in the Issue will be only in dematerialized form.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

(i) Agreement dated August 29, 2008, between NSDL, our Company and the Registrar;

(ii) Agreement dated September 1, 2008, between CDSL, our Company and the Registrar.

(iii) All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(iv) A Bidder applying for Equity Shares must have at least one valid beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(v) The Bidder must necessarily fill in the details (including the PAN, BAN and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(vi) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(vii) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(viii) Bid cum Application Forms or Revision Forms containing incomplete or incorrect details under the heading Bidders Depository Account Details' are liable to be rejected.

(ix) With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

(x) The Bidder is responsible for the correctness of his Demographic Details given in the Bid cum Application Form vis-à-vis those with his Depository Participant.

(xi) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(xii) Trading in the Equity Shares will be in dematerialized form only, on the demat segments of the Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, PAN, Bidders depository account details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, the bank account number in which an amount equivalent to the Bid Amount was blocked.

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Branches, Bidders can contact the relevant Designated Branch of the SCSBs.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, 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."

Payment of Refunds

In the case of Bidders other than ASBA Bidders, the Registrar will obtain from the Depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID and BAN provided by the Bidders in their Bid cum Application Forms. Accordingly, Bidders are advised to immediately update their bank account details as appearing on the records of their Depository Participants. Failure to do so could result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Registrar, the Escrow Collection Banks, Bankers to the Issue, the BRLMs, nor the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In the case of Bids from Eligible NRIs and FIIs, any refunds, dividends, and other distributions, will normally be payable in Indian Rupees only and net of bank charges and/or commission. Where desired, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post. Our Company will not be responsible for any loss incurred by Bidders on account of conversion of foreign currency.

Mode of Refunds

For Bidders other than ASBA Bidders

For Bidders other than ASBA Bidders, any payment of refund will be through any of the following modes:

(i) NECS – Payment of refund will be through NECS for Bidders having an account at any of the centres specified by the RBI. This mode of payment of refunds is subject to availability of complete bank account details, including the MICR code, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

(ii) Direct Credit – Bidders having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories will be eligible to receive refunds through direct credit. Any bank charges levied by the Refund Bank will be borne by our Company.

(iii) (iii) RTGS – Bidders having a bank account with a bank branch which is RTGS enabled as per the information available on the RBI's website and whose refund amount exceeds ₹ 2 lacs, will be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Any bank charges levied by the Refund Bank will be borne by our Company. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective Bidders.

(iv) NEFT – Payment of refund will be undertaken through NEFT wherever the Bidders' bank branches are NEFT enabled and have been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. The IFSC will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Bidders have registered their MICR code and bank account number while opening and operating the demat account, these will be duly mapped with the IFSC of that particular bank branch and payment of refund will be made to the Bidders through NEFT. 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 and the past experience of the Registrars. In the event NEFT is not operationally feasible, the payment of refunds will be made through any one of the other modes discussed in this section.

(v) For all other Bidders, including those who have not updated their bank particulars with the MICR code, refund orders will be dispatched through ordinary post for value up to ₹ 1,500 and through speed or registered post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. Any bank charges for cashing such cheques, pay orders or demand drafts at other centres will be payable by the respective Bidders.

Refunds for ASBA Bidders

In the case of ASBA Bidders, the Registrar will instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amounts specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids, within 12 Working Days of the Bid/Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in Case of Delay

With respect to Bidders other than ASBA Bidders, our Company will ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date.

In case of Bidders who receive refunds through NECS, NEFT direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date.

A suitable communication will be sent to the Bidders receiving refunds through this mode within 12 Working Days from the Bid/Issue Closing Date, giving details of the bank where refunds will be credited along with amount and expected date of electronic credit of refund.

Our Company will use best efforts to ensure that all steps for completion of the necessary formalities for listing is completed and trading commences within 12 Working Days of the Bid/Issue Closing Date at all the Stock Exchanges where the Equity Shares are proposed to be listed.

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

(i) Allotment of Equity Shares will be made only in dematerialized form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within 12 Working Days of the Bid/Issue Closing Date;

(ii) With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in case the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days from the Bid/Issue Closing Date will be ensured. With respect to the ASBA Bidders' instructions for unblocking of the ASBA Accounts will be made within 12 Working Days from the Bid/Issue Closing Date; and

(iii) If Allotment letters/refund orders have not been dispatched to the Bidders or if, in case the refund or portion thereof is made in electronic manner through direct credit, NEFT or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner and/or demat credits are not made to investors within eight days from the day our Company becomes liable to repay, our Company and every officer in default will, on and from the expiry of such eight days, be jointly and severally liable to repay the money with interest at 15% *per annum*, as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Undertakings by our Company

Our Company undertakes the following:

(i) That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/ Issue Closing Date;

(iii) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

(iv) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(v) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;

(vi) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

(vii) That adequate arrangements shall be made to collect all the Bid cum Application Forms made under the ASBA process and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Utilization of Issue Proceeds

Our Board of Directors certifies that:

(i) all monies received out of the Issue of specified securities to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act;

(ii) details of all monies utilised out of the Issue referred to in sub item (i) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and

(iii) details of all unutilised monies out of the issue of specified securities referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar, will notify the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such notification. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that they will proceed with a further public offering of Equity Shares, they will file a fresh offer document with SEBI or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion (excluding the Anchor Investor Portion) are not allowed to withdraw their Bids after the Bid/Issue Closing Date and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period.

Commission payable to Syndicate / Sub-Syndicate Members/SCSBs

Pursuant to SEBI Circular No. CIR/CFD/DIL/8/2010 dated October 12, 2010, Syndicate/ Sub – Syndicate Members may procure Bid cum Application Forms from the investors and submit it to Self Certified Syndicate Banks. Accordingly, in partial modification of SEBI circular number SEBI/CFD/DIL/MB/IS/5/2009/05/08 dated August 5, 2009, the Syndicate / Sub-Syndicate Members shall be entitled for selling commission for ASBA forms procured by them. SCSBs shall be entitled for per form processing fee for ASBA forms procured by Syndicate / Sub-Syndicate Members and submitted with SCSBs. For ASBA forms procured directly by SCSBs, they would be entitled for selling commission only and no processing fee shall be paid to them. The commission shall be fixed by our Company in consultation with the BRLMs.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

SHARES

Article 3 provides that the Authorized Share Capital of the Company shall be such amount as stated in Clause V of the Memorandum of Association of the Company from time to time. The Company shall have power to increase or reduce or consolidate or subdivide the Capital of the Company from time to time, to issue any shares of the Original Capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit, and upon the subdivision of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub division.

Article 4 provides that the Company shall have power to issue Preference shares carrying right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh redemption or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Sections 80 of the Act, exercise such power in such manner as it thinks fit. Every Member shall be entitled, without payment, to one or more certificates in marketable lots for all the Shares of each class of denomination registered in his name, or if the

Article 5 provides that subject to the provisions of these Articles the shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same to such persons on such terms and conditions and at such time as the directors think fit and with power to issue any shares as fully paid up in consideration of services rendered to the Company in its formation or otherwise, provided that where the Directors decide to increase the issued capital of the Company by the issue of further shares the provisions of Section 81 of the Act will be complied with provided further that the option or right to call for shares shall not be given to any person except with the sanction of the Company in general meeting.

Article 6 provides that subject to the provisions of the Act it shall be lawful for the Company to issue at a discount shares of a class already issued.

Article 7 provides that the Company may, subject to compliance with the provisions of section 76 of the Act exercise the powers of paying commission on the issue of shares and debentures. The Commission may be paid or satisfied in cash or shares, debentures or debenture stock of the Company, or partly in one way and partly in the other.

Article 8 provides that the Company may pay a reasonable sum of brokerage on issue of any shares or debentures subject to the ceiling prescribed under the Act.

Article 9 provides that subject to Section 187C of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any trust, benami or equitable or other claim to or interest in such shares on any fractional part of a share whether or not it shall have express or other notice thereof.

FURTHER ISSUE OF SHARES

Article 9A provides for the following:

Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.

b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.

Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

a) If a special resolution to that effect is passed by the Company in General Meeting, or

b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

Nothing in sub-clause (c) of (1) hereof shall be deemed;

a) To extend the time within which the offer should be accepted; or

b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company :

i) To convert such debentures or loans into shares in the Company; or

ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

DEMATERIALISATION OF SECURITIES

Article 13A provides for the following:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities and/or offer fresh securities for subscription in a dematerialized form, pursuant to Depository Act and Rules framed thereunder. Additionally, on the investor exercising an option to hold his/her securities with depositories in a dematerialized form the Company shall enter into a agreement with a depository to enable the investor to dematerialize his/her securities, in which event the rights and obligation of the parties concerned shall be governed by the "Depository Act".

Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of securities in the manner provided in the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner, the required certificate of securities.

If a person opts to hold his securities with s depository, the Company shall intimate such depository, the details of allotment of the securities and on receipt of the information, the depository shall enter in its record, the name of allottee as the beneficial owner of the security.

i. Notwithstanding anything contrary contained in the Act or these Articles, a depository shall be deemed to be the Registered Owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.

ii. Save as provided in sub-clause (i) above, the Depository as the Register Owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

iii. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

Nothing contained in the Act or these Articles regarding the necessity of having a distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

i. All securities held by depository shall be dematerialized and shall be fungible form. Nothing contained in section 153, 153(A), 153(B) and 187(C) of the act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.

ii. Notwithstanding anything contained in the Act or these Articles, in the case of Transfer or Transmission of the Securities, where the Company has not issued any certificates and where such securities are being held in the electronic and fungible form with a depository, the provision of the Depositories Act, 1996 shall apply.

Notwithstanding anything in the Act or these Articles to the contrary where the securities are held in a depository, the records of the beneficial ownership may be saved by such depository on the Company by means of electronic mode or by delivery of floppies or disc.

Notwithstanding anything in the Act or these Articles to the contrary, where the securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly.

The depository shall on receipt of such intimation, make appropriate entries, in its record and shall inform the Company.

The Company shall within 30 (thirty) days of receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.

The Register and Index of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of Members for the purpose of the Act.

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appear on the Register of members as the holders of any shares as also the beneficial owner of the shares in records of depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notice and all or any other matters connected with the Company and accordingly the Company shall not except by order of the court or competent jurisdiction or as by law required be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have expressed or implied notice thereof.

No stamp duty would be payable on shares and securities held in dematerialized form in any medium as may be permitted by law including any form of electronic medium.

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a depository, the provisions of the Depository Act, 1996 shall apply.

JOINT HOLDERS OF SHARES

Article 14 provides that where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to provisions following and to the other provisions of these Articles relating to joint holders: -

The Company shall not be bound to register more than four persons as the joint holder of any share.

The joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares.

On the death of any one of such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit.

Only the person whose name stands first in the Register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share calls.

Article 15 provides that the directors may, from time to time, and subject to the terms on which any shares/debentures may have been issued, make such calls as they think fit upon the members/debentures holders in respect of all moneys unpaid on the shares/debentures held by them respectively and not by the conditions of allotment thereto made payable at fixed times, and each member/ debenture holder shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. A call may be postponed or advanced as the Board may determine.

Article 16 provides that a call shall be deemed to have been made at the time when the resolution of the Director's authorizing such call was passed.

Article 17 provides that not less than 15 (fifteen) days notice of every call shall be given specifying the time and place of payment and to whom such call shall be paid.

Article 18 provides that if by the terms of issue of any share/debentures or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by installments, at fixed times, every such amount of issue price or installments thereof shall be payable as if it was a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or installments accordingly.

Article 19 provides that if the sum payable in respect of any call or installments be not paid on or before the day appointed for the payment thereof, or any such extensions thereof, the holder of the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate fixed by the Board from the day appointed for the payment thereof to the time of actual payment or at such other rate as the directors may determine but they shall have power to waive the payment thereof wholly or in part.

Article 20 provides that on the trial of hearing of any action or suit brought by the Company against any member or his legal representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the register 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 resolution making the call is duly recorded in the minute books 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 such call nor that a quorum of directors was present at the meeting was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Article 21 provides that the Board may if it thinks fit, agree to and receive from any member willing to advance the same, whole or any part of the money due upon the shares held by him beyond the sum actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding unless the Company in general meeting shall otherwise direct, 6 (six) percent per annum as the member paying such sum as advance and the Board shall not rank of dividends or confer any right to participate in profits. The Board may at any time repay the amount so advanced. The Provisions of these articles shall *mutatis mutandis*, apply to the calls on debentures of the Company.

Article 21A provides that the Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

FORFEITURE AND LIEN

Article 22 provides that if any member fails to pay any call or installments on or before the day appointed for the payments of the same the directors may at any time thereafter during such time as the call or installment remains unpaid serve notice as 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 reasons of such non payment.

Article 23 provides that the notice shall name a day (not being less than 30 (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 or places appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

Article 24 provides that if the requirements of 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 payments of all calls or installments interest and expenses due in respect thereof, be forfeited by a resolutions of the directors to that effect, such forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.

Article 25 provides that when any shares shall have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any, manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Article 26 provides that any share so forfeited shall be deemed to be the property of the Company and the directors may sell re-allot or otherwise dispose of the same in such manner as they think fit.

Article 27 provides that any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls installments, interest and the forfeited together with interest thereupon from the time of the forfeiture until payment at 12 percent per annum or such other rate as the directors may determine and the directors may enforce the payment thereof or any part thereof without any deduction or allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so.

Article 28 provides that the Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as they think fit.

Article 29 provides that the forfeiture of a share shall involve the extinction of all interests in and also of all claims and demands against the Company in respect of the share and all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.

Article 30 provides that a duly verified declaration in writing that the declarant is a director of the Company and that certain share in the Company and that certain share 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 shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares as on the sale or disposition thereof, shall constitute a written title to such shares.

Article 31 provides that the Company shall have a first and paramount lien upon all the shares (not being fully paid up) registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created excepts upon the footing and condition that Article 10 hereof is to have from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, of such shares.

Article 32 provides that 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 elapsed and until notice in writing of the intention to sell shall have been served on such member, his executor, administrator or his committee or other person recognized by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable to such member, his executors, administrators or other representatives or persons so recognized as aforesaid.

Article 33 provides that upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the directors may appoint some person to execute an instrument of transfer of the shares sold and after his name had been entered in the register in respect of such shares his title to such forfeiture sale or disposition, nor impeached by any person and the remedy of any person, aggrieved by the sale shall be in damages only and against the Company exclusively.

Article 34 provides that where any share under the powers in that behalf herein contained are sold by the directors and the certificate in respect thereof has not been delivered to the Company by the former holders of the said shares the directors may issue a new certificate in lieu of certificate not so delivered up.

TRANSFER AND TRANSMISSION OF SHARES

Article 35 provides that subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company together with the certificate or certificates of the shares, or if no such certificates is in existence along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register in respect thereof.

Article 36 provides that application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manners prescribed by the Act, and, subject to the provisions of Articles hereof, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of notice, enter in the Register the name of the Transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

Article 37 provides that before registering any transfer tendered for registration, the Company may, if it so think fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken the transfer will be registered and if such registered holder fails to lodge no objection in writing at the office of the Company within two weeks from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer.

Article 38 provides that the Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

The Company shall cause to be kept a Register and Index of Members and / or Debenture holders in accordance with section 150 and 151 of the act and the Depositories Act, with details of Share / Debenture held in material and dematerialized forms, in any media (including electronic media) as may be permitted by law. The register and index of beneficial owner maintained by Depository under section 11 of the Depositories Act, shall be deemed to be the register and index of the members holding shares in a dematerialized form, for the purpose of the Act. The Company shall be entitled to keep in any state or country outside India, a branch register of members resident in that State or country.

Article 39 provides that subject to the provisions of section 111 of the Act, the Board at their own absolute and uncontrolled discretion and without assigning any reason for such refusal, may within two months from the date in which instrument of transfer is delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien, and in the case of a share not fully paid up, may refuse to register a transfer to a transferee to whom the board does not approve. Provided that the registration of a transfer of share 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.

Article 40 provides for the following:

1) No Transfer shall be made to a minor or any person of unsound mind.

2)Unless otherwise no fee shall be charged for registration of transfer, probate, letter of administration, certificate of death, or marriage, power of attorney or similar other instruments.

Article 41 provides that all instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deal.

Article 42 provides that if the directors refuse to register the, transfer of any shares, the Company shall within two months from the date on which the instrument of transfer was lodged with the Company or intimation given send to the transferor and the transferee or the person giving intimation of such transfer notice of such refusal.

Article 43 provides that on giving not less than seven days notice by advertisement in a newspaper circulating in the district in which the Registered Office of the Company is situated, the transfer books, the Register of Members or Register of Debenture holders may be closed during such time as the directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.

Article 44 provides that the Executors or administrators of the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person whom the Company shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such member and in case of the death of anyone or more of the joint-holders of any registered shares the survivors shall be the only persons recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint-holders from any liability on shares held by him jointly with any other person before recognizing any legal representative, or heir or a person otherwise claiming title to the shares of the Company may require him to obtain a grant or probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the board may consider desirable.

Article 45 provides that any person becoming entitled to or to transfer shares in consequence of the Death, Lunacy or Insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this articles, or of his title as the directors think sufficient may with the consent of the directors (which they shall not be under any obligation to give), be registered himself as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Articles is hereinafter referred to as "The Transmission Article". Subject to any other provisions of these Articles if the person so becoming entitled to shares under this or the last preceding Articles shall elect to be registered as a member in respect of the share, himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the shares to some other person he shall execute an instrument of transfer in accordance with the provisions of these articles relating to transfer of shares. All the limitations, restrictions and provisions of these articles relating to the rights to transfer and the registration of transfer of shares shall be applicable to, any such notice of transfer as aforesaid.

Article 46 provides that subject to any other provisions of these Articles if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequence of the death, lunacy, or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share/debenture.

Article 47 provides that the instrument of transfer shall be in writing and all the provisions of section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

Article 48 provides that 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 same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though *it* may have been entered or referred to in some books of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the directors shall so think fit.

Article 49 provides that the provisions of the Articles shall mutatis mutandis apply to the transfer of transfer of transmission by operation of law of debentures of the Company.

SHARE WARRANTS

Article 50 provides that subject to the provisions of Section 114 and 115 of the Act and subject to any directions which may be given by the Company in General Meeting the Board may issue share warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue, Regulations 40 to 43 of Table ‘A’ in Schedule I to the Act, shall apply.

STOCKS

Article 51 provides that the Company may exercise the power of conversion of its shares into stock and in that case regulation 37 to 39 of Table ‘A’ in Schedule I to the Act shall apply.

ALTERATION OF CAPITAL

Article 52 provides that the Company may, by ordinary resolution, from time to time alter the condition of Memorandum of Association as follows:

a) Increase the Share Capital by such amount to be divided into shares of such amount as may be specified in the resolution.
b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
c) Sub-divide its existing shares or any of them into shares of similar amount than is fixed by the Memorandum of Association; so however, that is the sub-division between the amount paid and the amount, if any, unpaid in each reduced share shall be the same as it was in the case of share from which the reduced share is derived, and
d) Subject to the provisions of Section 100 to 104 of the Act the board may accept from any member the surrender of all or any of his shares on such terms and conditions as shall be agreed.

MODIFICATION OF RIGHTS

Article 53 provides that if any time the share capital is divided into different classes of shares all or any of the rights attached to any class unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with consent in writing of the holders of three fourth of the issued shares of that class, or with the sanction of a special Resolution passed at a separate Meeting of the holders of the shares of that class.

To every such separate meeting the provisions of these Articles, relating to general meeting shall apply, but so that the necessary quorum shall be two persons atleast holding or representing by proxy one tenth of the issued shares of the class but so that if ay any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder demand a poll and on a poll, shall have one vote for each share of the class of which he is the holder. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

BORROWING POWERS

Article 54 provides that the board may, from time to time and at its discretion subject to the provisions of Section 58-A, 292 and 293 of the Act, raise or borrow, from the Directors or from elsewhere and secure the payment of any sums or sum of money so borrowed for the purpose of the Company.

Article 55 provides that the board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture stocks or any mortgage, or charge other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company, in general meeting and subject to the provisions of the Act.

Article 56 provides that any debentures, debenture stock, bonds or other securities may be issued subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotments of shares, appointment of directors and otherwise, debentures, debenture stocks bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Article 57 provides that save as provided in Section 108 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures.

Article 58 provides that if the board refuses to register the transfer of any debentures, the Company shall within two months from the date on which the instrument of transfer was lodged with the Company send to the transferee and to the transferor notice of the refusal.

RESERVES

Article 59 provides that subject to the provisions of the Act, the Board shall in accordance with Section 205(2A) of the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as Reserves, which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such applications, may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company, as the board may from time to time think fit). The board may also carry forward any profit which it may think prudent not to divide without setting them aside as a reserve.

Article 60 provides that any General Meeting may resolve that the whole or any part of the undivided profits of the Company (which expression shall include any premium received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalized and distributed amongst such of the members as would be entitled to receive the same proportions distributed by way of dividend and in the same proportions on the fitting that they become entitled thereto as capital and that all or any part of such capitalized amount be applied on behalf of such members in paying up, in full any unissued shares/ debentures or debenture stock of the Company which shall distributed accordingly, or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of the interest in the said capitalized amount. Provided that any sum standing to the credit of a shares premium account or the Capital Redemption Reserves Account may, for the purpose of this Article only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Article 61 provides that a general meeting may resolve that any surplus money arising from the realization of any capital representing the same, or any other undistributed profits of the Company not subject to charge of Income Tax be distributed among the members on the footing that they receive the same as capital.

Article 62 provides that for the purpose of giving effect to any resolution under the last two preceding articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates.

GENERAL MEETING

Article 63 provides that the Directors may, whenever they think fit, call an extra ordinary general meeting provided however if at any time they are not in India, directors capable of acting who are sufficient in number to form a quorum any director present in India, may call an extra ordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the board.

Article 64 provides that the board of directors of the Company shall on the resolution of such member or members of the Company as is specified in subsection (4) of Section 169 of the Act forthwith proceed to call an extra ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the provisions of section 169 of the Act and of any statutory modifications thereof for the time being shall apply.

Article 65 provides that the quorum for a general meeting shall be five members present in person.

Article 66 provides that at every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any meeting the Chairman of the Board of Directors is not present fifteen minutes after the time appointed for holding the meeting or though present is unwilling to act as Chairman, the members present shall choose one of the Directors present to be chairman or if no Director is present or Directors present are not willing to take the chair, then the members present shall choose one of their number, being a member entitled to vote, to be Chairman of such meeting.

Article 67 provides that any act or resolution which under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution passed by a special resolution.

Article 68 provides that if within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting if convened upon a requisition of share holders shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half-an-hour from the time appointed for the meeting, those members who are person and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.

Article 69 provides that in the case of an equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Article 70 provides that the Chairman of a General Meeting may adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting.

Article 71 provides that if a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

Article 72 provides for the following:

1) On a show of hands every member present in person and being a holder of Equity Shares shall a proxy on behalf of a holder of Equity Shares or as a duly authorised representative of a body corporate being a holder of equity shares. If he is not entitled to vote in his own rights, shall have one vote.

2) On a poll the voting rights of a holder of Equity shares shall be as specified in Section 87 of the Act.

3) The voting rights of the holders of the preference shares including the redeemable a cumulative preference shares shall be in accordance with the provisions of section 87 of the act.

4) No Company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.

Article 73 provides that a person becoming entitled to a share shall not before being registered as member in respect of the share entitle to exercise in respect thereof any right conferred by membership in relation to meeting of the Company.

If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by proxy provided twenty four hours at least before the time of holding the emitting or adjourned meeting, as the case may be at which any such person proposes to vote he shall satisfy the board of his rights under this Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Article 74 provides that where there are joint holders of any share, anyone of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting either personally or by proxy then that one of the said persons so present whose stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several Executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

Article 75 provides that the instrument appointing a proxy shall be in writing under the hand of the appointed or of his Attorney duly authorised in wr*i*ting or if such appointed is a corporation under its common seal or the hands of its attorney.

Article 76 provides that the instrument appointing a proxy and the power of attorney or other authority (if any) under which it signed or notarally certified copy of that power of authority shall be deposited at the office not less than forty eight hours before the time for holding the meeting, at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.

Article 77 provides that no intimation in writing of the death, insanity, revocation or transfer of the shares shall have been received at the office or by the Chairman of the meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Article 78 provides that every instrument appointing a proxy shall as nearly as circumstances will admit, be in the form set out in Schedule IX to the act.

Article 79 provides that no objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.

Article 80 provides that before or on the declaration of the result of the voting of any resolution on a show of hands; a poll be ordered to be taken by the chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 179 of the Act for the time being in force.

Article 81 provides that no member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right to lien.

DIRECTORS GENERAL PROVISIONS

Article 82 provides that the number of Directors shall not be less three and not more than twelve.

Article 83 provides that the following shall be the First Directors of the Company:

1. Mr. Vinod Kumar Chaturvedi
2. Mr. Manoj Murarilal Pathak
3. Mr. Ajay Prakash Arora

Article 84 provides that the Directors shall have power at any time and from time to time, to appoint any person as an additional Director as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election.

Article 85 provides that a Director shall not be required to hold any shares in the Capital of the Company as his qualification.

Article 86 provides that in connection with any collaboration arrangement with any Company or corporation or firm or person for supply of technical know how and/or machinery or technical advice, the directors may authorise such Company, corporation, I firm or person (hereinafter in this. clause referred to as "collaborator") to appoint from time to time, any person or persons as director or directors of the Company (hereinafter referred to as "Special Director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such director, so however, that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangement or at time thereafter.

> b) The collaborator may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed at any time appoint any other person as a special director in his place and such appointment or removal shall be made in writing signed by such Company or corporation or any partner or such person and shall be delivered to the Company at its registered office.
>
> c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one or more such person or persons as a director(s) and so that if more than one collaborator is so entitled there may at any time be as many special directors as the collaborators eligible to make the appointment.

Article 87 provides that any trust deed for securing debenture or debenture stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person or persons to be a director or directors- of the Company and may in power such Trustees or holders of debentures or debenture stock from time to time, to remove and re-appoint any director (s) so appointed, the director (s) so appointed under this Articles is herein referred to as "Debenture Director" and the term "Debenture Director" means the director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and 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 arranged between the company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Article 88 provides that a director, managing director office or employee of the company may be, or become a director of any company promoted by the company or in which it may be interested as a vendor, member or otherwise, and no such director shall be accountable for any benefit received as director or member of such company except to the extent and under the circumstances as may be provided in the Act.

Article 89 provides for the following:

a) Every director (including a person deemed to be a director by virtue of the explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company. who is appointed to or relinquishes the office of Director, Managing Director, Manager or Secretary of any other Body Corporate shall within twenty days of his appointment or relinquishment of such office, as the case may be disclose to the company aforesaid the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

b) Every director the company and every person deemed to be a director of the company by virtue of sub-section (10) of Section 307 of the Act and every other person referred to in sub-section (II) of the Section 307 of the Act, shall give notice to the company of such matters as may be necessary for the purpose of enabling the company to comply with the provisions of that section and section 308 of the Act.

Article 90 provides that each director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum as may be prescribed under law and as may be fixed by director(s) from time to time for every meeting of the board of directors or committee thereof attended by him. Subject to provisions of the company act, 1956, the directors shall also be entitled to receive in each year a commission @ 1% of the net profits of the company, such commission to be calculated on the net profits of the company to be computed in accordance with the provisions of the Companies Act, 1956 and such commission shall be divided among the directors in such proportion and manner as may be determined by them. The director may allow and pay to any director who for the time being is resident out of the place at which any meeting of the directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified. If any director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or made any special exertions for any of the purposes of the company, then, subject to the provisions of Section 198, 309, 310 and 314 of the Act, the Board may remunerate such director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

Article 91 provides that the sitting fees payable to a director for attending a meeting of the board or a committee of the board or a general meeting shall be regulated as per the provisions of section 310 of the Act and Schedule XIII thereof.

Article 92 provides that the continuing directors may act notwithstanding any vacancy in their body: but so that if the number falls below the minimum number above fixed the directors shall not except for the purpose of filling vacancies or of summoning a General Meeting act so long as the number is below the minimum.

Article 93 provides that subject to the provisions of Section 292, 293, 294, 295, 297, 300, 311, 314, 370 and 373 of the Act, the directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the company or from contracting with the company either as vendor, purchase, lender, agent broker, lessor or arrangement entered into by or on behalf of the company with a relative of such directors or the managing director or a relative of such directors or the managing director or with a private company in which such director/manager director whole time director is a member or director interested be avoided, nor shall any director, managing director whole time director, or otherwise so contracting or being such members or so interested be liable to account to the company for any profit realised by such contract or arrangement by reason only of such director, managing director, whole time director holding that office or of the fiduciary relation thereby established.

APPOINTMENT OF DIRECTOR

Article 94 provides that the company in general meeting may subject to the provisions of these Articles and the Act, at any time elect any person to be a director and may from time to time increase or reduce the number of directors.

Article 95 provides that any member of the company shall be competent to propose the name of any person who is otherwise not disqualified as being a director of a company for the office of director in the company and shall accordingly give a notice of at least 14 days in writing along with a deposit of ₹ 500/- (Rupees Five hundred) or such sum as may for the time be prescribed by the Act, which shall be refunded only after the person proposed to be appointed as director is elected.

Article 96 provides that if any director appointed by the company in general meeting vacates office as a director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the board at a meeting of the board, but any person so appointed shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred. Provide that the board may not file such a vacancy be appointing thereto any person who has been removed from the office of director under section 284 of the Act.

Article 97 provides that the company shall subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Director of the company upon such terms and conditions as the company deem fit. The corporation firm or person shall be entitled, from time to time to remove any such Director or Directors and appoint another or other in his or their places. He shall be entitled to the same right and privileges and be subject to the same obligation as any other Director of the Company.

Article 98 provides for the following:

a) Notwithstanding anything to the contrary contained in these articles, so long as any money remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI). The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), Unit Trust of India (UTI) or any other Financial Institutions of Central or State Governments or to any other Financial Company or other Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIC, UTI or any other financing corporation or Credit Corporation or any financing Company or body. is hereafter in this article referred to as "The Corporation") continue to hold shares/debentures in the Company as a result of underwriting or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the corporation may appoint any person or persons as a Director or Directors whole time or non-whole time, (which Director or Directors is/are hereinafter referred to as nominee Director(s) on the board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

b) The Board of Directors of the Company shall have no power to remove from office the nominee Director/s. At the option of the corporation, such nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid the nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.

c) The Nominee Director(s) so appointed shall hold the said office only so long as any money remain owing by the Company to the corporation or so long as the corporation holds debentures in the Company or so long as the corporation hold shares in the Company as a result of underwriting of Director subscription and the nominee Director/s so appointed in exercise of the said power shall ipso-factor vacate such office immediately after the money owing by the Company to the corporation is paid off or the corporation ceasing debentures and shares in the Company.

d) The nominee director/s appointed under this article shall be entitled to receive all notices, of and attend all general meetings, board meetings and of the meetings off the committee of which the nominee director/s is/are member/s and also the minutes of such meetings. The corporation shall also be entitled to receive all such notice and minutes.

e) The Company shall pay to the nominee director/s sitting fees and expenses which the other directors of the Company are entitled to, but if any other fees, commission, moneys or remuneration in any form is payable to the directors of the Company, the fees, commissions, moneys and remunerations in relation to such nominee director/s shall accrue to the corporation and the same shall accordingly be paid by the Company directly to the corporation. Any expenses that may be incurred by the Corpor2.tion or such nominee director/s in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the corporation or as the case may be to such nominee director/so Provided that if any such nominee director/s is an officer of the corporation, the sitting fees, in relation to such nominee director/s shall also occur to the corporation or as the case may be to such nominee director/s is an officer of the corporation, the sitting fees, in relation to such nominee director/s shall also occur to the corporation and the same shall accordingly be paid by the Company directly to the corporation. Provided also that in the event of the nominee director/s being appointed as whole time director/s such nominee directors shall exercise such powers and duties as may be approved by the corporation and have such rights as are usually exercised or available to a whole time director, in the managements of affairs, of the Company. Such nominee director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the corporation.

Article 99 provides that subject to the provisions of Section 313 of the Act, the Board may appoint any person to act as an alternate,director for a director during the latters absence for a period for not less than three months from the State in which meeting of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly but he shall ipso facto to vacate office if and when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as a director.

A. ROTATION OF DIRECTORS

Article 100 provides for the following:

1) Not less than two third of the total number of directors shall be persons whose period of office is liable to determination by retirement of directors by rotation.

2) At every Annual General Meeting of the Company 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, then the number nearest to one-third shall retire from office.

3) The directors to retire by rotation 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 to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

4) If at any Annual General Meeting all the directors appointed under Article 87 and 106 hereby are not exempt from retirement by rotation under Section 255 of the Act, then to the extent permitted by the said Section, the exemption shall extend to the Directors or director appointed under Article 87. Subject to the foregoing provisions as between directors appointed under any of the Articles referred to above, the director or directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

Article 100A provides that a retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.

Article 101 provides that subject to any resolution for reducing the number of directors, if at any meeting at which an election of directors ought to take place, the places or the retiring directors not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting also the places of the retiring directors are not filled up, the retiring directors or such of them as have not had their places filled up shall (it will continue in office) be deemed to have been re-elected at the adjourned meeting.

PROCEEDINGS OF DIRECTORS

Article 102 provides that the directors may meet together for the dispatch of business, and may adjourn and otherwise regulate their meetings and proceedings as they think fit. Notice in writing of every meeting to the director shall ordinarily be given by a director or such other officers of the Company duly authorised in this behalf to every directors for the time being in India and at his usual address in India.

Article 103 provides that the quorum for a meeting of the directors shall be determined, from time to time, in accordance with the provisions of section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors, it shall be adjourned until such date and time as the directors present shall appoint.

Article 104 provides that the Secretary may at any time and upon request of any two directors shall summon a meeting of the directors.

Article 105 provides that subject to the provisions of sections 316, 372 (5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes each director having one vote and in case of an equality of votes the Chairman shall have second of casting vote.

Article 106 provides that the chairman of the board of directors shall be the chairman of the meeting of directors. Provided that if the chairman of the board of directors is not present within five minutes after the appointed time for holding the meeting, the directors present shall choose one of their members to be chairman of such meeting.

Article 107 provides that a meeting of directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Articles of the Company and the Act are for the time being vested in or exercisable by the Directors generally.

Article 108 provides that the directors may subject to compliance of the provisions of the Act, from time to time, delegate any of their powers to committees consisting of such members or member of their body as they think fit any may, from time to time, revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated confirm to any regulations that may, from time to time be imposed on it by the directors. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for, regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under article.

Article 109 provides that all acts done at any meeting of directors or of a committee of the directors of by any person acting as a director shall be valued notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors, committee or persons acting as aforesaid or that they or any of them were disqualified.

Article 110 provides that except resolution which the companies act 1956 requires in specifically to be passed in a board meeting a resolution may be passed by the directors or committee thereof by circulation in accordance with the provisions of section 289 of the Act, and any such minutes of any meetings of directors or of any committee or of the Company if proposed to be signed by the Chairman of such meeting or by the chairman of next succeeding meeting shall be for all purposes whatsoever as prima facie evidence of the matters in such minutes.

POWERS OF DIRECTORS

Article 111 provides for the following:

a) without derogating from the powers vested in the board of directors under these articles the board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the board.

i) The Power to make calls on shareholder in respect of money unpaid on their shares;

ii) The power to issue debentures.

iii) The power to borrow moneys otherwise than on debentures;

iv) The power to invest the funds of the Company and

v) The power to make loans.

Provided that the Board may by resolutions passed at the meeting, delegate to any committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch off ice of the Company, a principal officer of the branch office, the power specified in clause (iii) (iv) and (v) to the extent specified in clauses (b) respectively in such condition as the board may prescribe.

b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amounts outstanding at any one time upto which moneys may be borrowed by the delegate.

c) Every resolution under sub clause (iv) shall specify the total amounts upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.

d) Every resolution delegating the powers referred to in sub clause (v) of clause (a) shall specify the total amount upto which loans may be made and the maximum amount upto which loans may be made for each such position kind individual cases.

e) Nothing in this article contained shall be deemed to effect the right of the Company in general meeting to impose restriction and conditions on the exercise by the Board of any of the powers referred to in sub-clause (i), (iii), (iv) and (v) of clause (a) above.

Article 112 provides for the following:

a) The board of directors of Company shall not except with the consent of the Company in general meeting:

i) Sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company, owns more than one undertaking of the whole or substantially the whole of any such undertaking;

ii) Remit, or give time for the repayment of any debt, due by a director.

iii) Invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or for any premises or properties used for any such undertakings is referred to in sub-clause (i) above, or of the any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

iv) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purposes; or

v) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed, fifty thousand rupees or five percent of its average net profit determined in accordance with the provisions of section 349 and 350 of the Act, during the three financial year, immediately preceding, whichever is greater.

b) Nothing contained in sub-clause (i) of clause (a) above shall affect:

i) The title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
ii) The selling or leasing of any property of the Company where the ordinary business of the Company consists of Companies such as selling or leasing.

c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach conditions to the permission as may be specified in the resolution including conditions, regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect in accordance with the provisions contained in that behalf in the Act.

d) No debt incurred by the Company in excess of the limit imposed by sub-clause iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

e) Due regard and compliance shall be observed in regard to matter dealt with by or in the explanation contained in sub-section (I) of section 29) of the Act and in regard to the limitations on the power of the Company contained in Section 293A of the Act.

MANAGING DIRECTORS

Article 119 provides that subject to the provisions of Section 197A, 269, 316 and 317 of the Act the Board, may, from time to time appoint one or moiré directors to be Managing Directors or Managing Director and /or Whole time Directors and /or Special directors like Technical Directors, Financial Directors etc. of Company and may from time to time, (subject to the provisions of any contract between him or them from office and appoint another or others in his place or their places.

Article 120 provides that subject to the provisions of Section 255 of the Act and Article 101(40) hereof, a Managing director or special director shall not, while the continues to hold that office be subject to retirement by rotation, but he shall be counted for ascertaining the number of director to retire (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 and he shall ipso facto and immediately ceased to be a Managing Director or special director, if he ceases to hold the office of director for any cause.

Article 121 provides that subject to the provisions of Section 198, 269, 309, 310 and 311 of the Act, a Managing Director, or special Director shall in addition to the remuneration payable to him as a director of the Company under the articles, receive such additional remuneration as may, from time to time be sanctioned by the Company.

Article 122 provides that subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 292 and 293 thereof, the board may, from time to time, entrust to and confer upon a managing director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers and such time, and to be exercised for such objects and with such restrictions as it thinks fit, and the Board may confer such powers either collateral with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke withdraw, alter or vary all or any of such powers.

Article 123 provides that the directors may from time to time appoint and at their discretion remove a person firm or body corporate to act as the registrar of the Company for the purpose of maintaining the register of members, and index of members the register and index of debenture holders (if any) copies of all Annual Returns etc. for the purposes of Section 159 of the act together wit the Certificate to be annexed thereto under section 161 and for the purposes of handling share certificates in compliance with the companies (issue of share certificates) Rules, 1960.

DIVIDENDS

Article 128 provides that subject to the Rights of members entitled to shares (if any) with preferential or special rights attached to them the profits of the Company from time to time determined to be distributed as dividend in respect of any year or other period shall be applied in payment of dividend on the Equity Shares in proportion to the amount of capital paid up on the shares provided that unless the board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or portions as paid up in the shares during any portions or portions of the period in respect of which dividend is paid provided always that subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall (unless the board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits.

Article 129 provides that the Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 205 of the Act, fix the time for payment.

Article 130 provides that no larger dividend shall be declared than is recommended by the Directors but the Company in the meeting may declare a smaller dividend.

Article 131 provides that no dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.

Article 132 provides that the declaration of the Directors as to the amount of the net profits in the audited annual accounts of the Company for any year shall be conclusive.

Article 133 provides that the directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.

Article 134 provides that the directors may retain any 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, subject to section 205A of the Act.

Article 135 provides that a transfer of shares shall not pass the rights to any dividends declared thereon before the registration of the transfer.

Article 136 provides that subject to section 205A of the act, the director may retain the dividends payable upon shares in respect of which any person is under the transmission Articles entitled to become a member or which any person under these Articles is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.

Article 137 provides that any one of the several persons who are registered as joint holders of any share may give effectual receipts of all dividends, bonuses and other payments in respect of such shares.

Article 138 provides that unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding of such person entitled or such joint holders as the case may be may direct and every cheque or warrant so sent shall be made payable at par to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holders, as the case may direct.

Article 139 provides that subject to the provisions of section 205 of the Act and if and insofar as may not be prohibited by that section or any of the provisions of the act, may in general meeting sanctioning or declaring a dividend in terms of these articles may direct payment of such dividend wholly or in part by the distribution of partly or fully paid up shares, and the directors shall give effect to such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient and in particular may issue fractional certificates or that fractions of less value than rupee one may be disregarded in order to adjust the rights of the parties and may vest any such shares, in trustees upon such trusts for the person entitled to the dividends as may seem expedient to the directors, where required, the directors shall comply with section 75 of the Act, and the directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to the dividends and such appointment shall be effective.

Article 140 provides that the payment of every cheque or warrant sent under the provisions of the last preceding Articles shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividends.

Article 141 provides that any dividend remaining unpaid or unclaimed for one year after having been declared shall be dealt in accordance with Section 205A and 205B of the Companies Act, 1956 and rules made thereunder.

Article 142 provides that no unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205A of the Companies Act, 1956 and rules made thereunder in respect of such dividend.

Article 143 provides that where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of _______ Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the

Company to the Investor Education and protection Fund established the Central Government. A claim to any money so transferred to the above fund may be preferred to the Central Government/Committee appointed by the Central Government by the shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board

Article 144 provides that no unpaid dividend shall bear interest as against the Company.

Article 145 provides that where any shares in the Company are issued for the purpose of raising money to defray the expenses of construction of any work or building or the provisions of any plant which cannot be made profitable for a lengthy period, the Company may interest on so much of that share capital as is for the time paid up, for the period and at the rate and subject to the conditions and restrictions provided by section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work of building of the provisions of plant.

Article 146 provides that any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the calls.

CAPITALIZATION

Article 147 provides for the following:

A) Any general meeting may receive any amount standing to the credit of the share premium account or the Capital Redemption Reserve Account of any moneys investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalized. Any such amount (excepting the amount standing to the credit of the share premium account and/or the capital redemption reserve account) may be capitalised;

i) By the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company, or

ii) by creating the shares of the Company which may have been issued and are not fully paid 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 may be applied on:

1) Paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares:

2) In writing off the preliminary expenses of the Company.

3) In writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures or the Company; or

4) a) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the capital redemption reserve account shall be applied only in paying up unissued shares of the Company to be issued to the members of Company as fully paid bonus shares.

b) Such issue and distribution under sub-clause (a) (i) above and such payment to the credit to unpaid share capital under sub-clause (a)(ii) above shall be made to among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportionate the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital.

c) the directors shall give to any such resolution and apply portion of the profits general reserve fund or any other fund or account as aforesaid payment in full for the shares, debenture, for debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a)(ii) above provided that no such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.

d) 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 or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares fractional certificates or coupons, debentures debenture stock bonds, or other obligations in, trustees upon such trusts for the persons entitled thereto as may seem expedient to the directors and generally may make such arrangement for the acceptance allotment and sale of such shares debentures debenture stock bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.

e) Subject to the provisions of the act and these articles in Case where some of the shares of the Company are Fully paid and others are partly paid only such capitalization may be effected by the distribution of further, shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or Part of the unpaid liability thereon, but so that as between the holders of fully paid shares and the partly paid shares the sum so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount than already paid or credited as paid on the existing fully paid and Partly paid shares respectively.

f) When deemed requisite a proper contract shall be filed with, the Registrar of Companies in accordance with the Act and the board may appoint any persons to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of filing of this Daft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus have been delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 a.m. to 5.00 p.m. on working days from the date of this Draft Red Herring Prospectus until the Bid / Issue Closing Date of this Issue.

Material Contracts

1. Issue Agreement dated February 2, 2012 between our Company, IDBI Capital Market Services Limited and SMC Capitals Limited.

2. Memorandum of Understanding dated November 24, 2011 between our Company and the Registrar to the Issue.

3. Escrow Agreement dated [●] between our Company, the BRLMs, Escrow Collection Banks, and the Registrar to the Issue.

4. Syndicate Agreement dated [●] between our Company, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [●] between our Company and the Underwriters.

Material Documents for Inspection

1. Certificate of incorporation.

2. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

3. Resolution of the Board of Directors dated August 29, 2011, authorising the Issue.

4. Resolution of the shareholders passed at the Annual General Meeting dated September 30, 2011, authorising the Issue.

5. Agreements dated June 25, 2008 appointing Dr. Vinod Kumar Chaturvedi as Managing Director and Mr. Manoj Chaturvedi as Joint Managing Director.

6. Affidavit of Mr. Manoj Chaturvedi dated October 14, 2004, stating that in some documents his name appears as Manoj Pathak. Chaturvedi is the broader term in Brahmin community and Pathak is 'Gotra' (sub-category) in Chaturvedi Brahmin. He is using Pathak or Chaturvedi as his surname along with his first name Manoj.

7. Consent of M/s. Haribhakti & Co., the Auditors of our Company, for inclusion of their report dated January 21, 2012 in this Draft Red Herring Prospectus.

8. Copies of the annual reports of our Company for the financial years and 2006-2007, 2007-08, 2008-2009, 2009-10, 2010-2011 and for six months' period ended September 30, 2011.

9. Copy of the Statement of Tax Benefits dated January 21, 2012 issued by M/s. Haribhakti & Co., Chartered Accountants.

10. Consents of Auditors, Bankers to our Company, BRLMs, Legal Advisors to this Issue, Directors, Company Secretary, the Compliance Officer, Registrar to this Issue, Escrow

Collection Bank, Refund Bank, Syndicate Members, IPO Grading Agency, as referred to, in their respective capacities.

11. In-principle listing approvals dated [●] from BSE *vide* letter No. [●].

12. In-principle listing approvals dated [●] from NSE *vide* letter No. [●].

13. Tripartite agreement between the NSDL, our Company and the Registrar dated August 29, 2008.

14. Tripartite agreement between the CDSL, our Company and the Registrar dated September 1, 2008.

15. SEBI Observation letter no [●] dated [●].

16. Report of [●], the IPO Grading Agency dated [●].

17. Raw Material Supply Agreement dated September 26, 2008 between our Company and Usher Agro Limited.

18. Memorandum of Understanding for Steam and Power Supply dated July 30, 2010 between our Company and Usher Agro Limited.

19. Power Purchase Agreement dated March 13, 2009 between our Company and Tata Power Trading Company Limited.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

In accordance with Section 61 of the Companies Act, in the event any of the material contracts mentioned in this section are required to be modified or amended, post the filing of this Draft Red Herring Prospectus with the RoC, reference shall be made to the shareholders of our Company for the same.

DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Name	Designation	Signature
Dr. Vinod Kumar Chaturvedi	**Managing Director**	
Mr. Manoj Chaturvedi	**Joint Managing Director**	
Mr. Ajay Prakash Arora	**Independent Director**	
Mr. Vijay Ranchan	**Independent Director**	
Major General Vinod Kumar Khanna	**Independent Director**	
Dr. Palakat Joseph Paul	**Independent Director**	

Chief Financial Officer

Date: February 2, 2012
Place: Mumbai